

KINGMAN COUNTY, KANSAS

Financial Statements With Independent Auditors' Report

For the Year Ended December 31, 2009

KINGMAN COUNTY, KANSAS
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For the Year Ended December 31, 2009

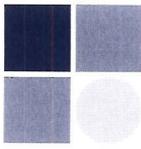
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Financial Statements With Independent Auditors' Report
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Certified
Public
Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Kingman County, Kansas
Kingman, Kansas

We have audited the accompanying financial statements of **Kingman County, Kansas**, as of and for the year ended December 31, 2009, as listed in the table of contents. These financial statements are the responsibility of **Kingman County, Kansas'** management. Our responsibility is to express opinions on these financial statements based on our audit.

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

The financial statements referred to above include only the primary government of **Kingman County, Kansas** and one of their three component units. The financial statements do not include financial data for two of the County's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial data of the County's primary government. As a result, these financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of **Kingman County, Kansas**, as of December 31, 2009 and for the year then ended in conformity with accounting principles generally accepted in the United States of America. In accordance with accounting principles generally accepted in the United States of America, **Kingman County, Kansas** has issued separate reporting entity financial statements for these two component units.

As described more fully in Note 1, **Kingman County, Kansas**, has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Kingman County, Kansas**, as of December 31, 2009, or changes in financial position for the year then ended. Further, **Kingman County, Kansas**, has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Kingman County, Kansas

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In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of **Kingman County, Kansas**, as of December 31, 2009, their respective cash receipts and disbursements, and budgetary results for the year then ended, on the basis of accounting described in Note 1.

Adams, Brown, Beran & Ball

ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

September 27, 2010

KINGMAN COUNTY, KANSAS
Summary of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended December 31, 2009

Funds	Beginning Unencumbered Cash Balance	(See Note 12) Prior Period Adjustments	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Categories								
General Fund	\$ 202,898	(104,029)	-	2,860,738	2,285,980	673,627	142,515	816,142
Special Revenue Funds								
Road and Bridge Fund	-	(43,059)	-	1,739,293	1,696,234	-	79,388	79,388
Special Bridge Fund	-	-	-	361,849	238,967	122,882	-	122,882
Public Health Fund	-	(14,338)	-	317,193	327,765	(24,910)	19,647	(5,263)
Activity Center Maintenance Fund	-	(2,925)	-	181,659	172,981	5,753	5,241	10,994
Extension Council Fund	-	-	-	137,198	137,198	-	-	-
County Appraiser Fund	33,223	(8,560)	-	179,463	165,394	38,732	2,395	41,127
Noxious Weed Fund	70,759	(3,462)	-	160,594	136,654	91,237	3,664	94,901
Capital Outlay Fund	41,859	-	-	-	-	41,859	-	41,859
Election Fund	25,023	(237)	-	90,794	43,609	71,971	7,200	79,171
Council on Aging Fund	9,773	-	-	150,414	150,414	9,773	-	9,773
Ambulance Fund	32,024	-	-	157,102	154,609	34,517	-	34,517
Mental Health Fund	5,561	-	-	56,287	56,287	5,561	-	5,561
Mental Retardation Fund	-	-	-	62,778	62,778	-	-	-
Employee Benefits Fund	562,667	-	-	1,157,894	1,329,497	391,064	464	391,528
Out of District Tuition Fund	-	-	-	185	-	185	-	185
Special Parks and Recreation Fund	3,266	-	-	3,798	-	7,064	-	7,064
Special Alcohol and Drug Program Fund	618	-	-	6,458	5,476	1,600	-	1,600
Emergency Telephone Services (911) Fund	55,991	-	-	74,193	76,145	54,039	-	54,039
Special Machinery Fund	110,757	-	-	22,448	102,103	31,102	-	31,102
Special Highway Improvement Fund	448,812	-	-	22,448	141,426	329,834	24,360	354,194
Capital Project Fund								
Activity Center Roof Replacement Fund	21,597	-	-	35,000	-	56,597	-	56,597
Debt Service Fund								
Bond and Interest Fund	-	-	-	156,171	139,619	16,562	-	16,562
Fiduciary Fund Category								
Private Purpose Trust Funds								
Special Motor Vehicle Fund	33,881	(2,038)	-	86,140	117,983	-	6,178	6,178
Prosecutor Training Assistance Fund	4,462	-	-	2,032	849	5,645	-	5,645
Total Primary Government	1,663,171	(178,648)	-	8,022,129	7,541,968	1,964,684	291,052	2,255,736
Component Unit								
Extension Council	-	35,880	-	167,695	163,356	40,219	-	40,219
Total (Excluding Agency Funds)	\$ 1,663,171	(142,768)	-	8,189,824	7,705,324	2,004,903	291,052	2,295,955

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

KINGMAN COUNTY, KANSAS
Summary of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended December 31, 2009

Composition of Cash

Checking Accounts	\$ 10,547,677
Savings Accounts	88
Cash on Hand	850
Certificates of Deposit	1,530,000
District Court and Law Library Accounts	<u>23,397</u>
Total Cash	12,102,012
Agency Funds Per Statement 4	<u>(9,846,276)</u>
Total Primary Government (Excluding Agency Funds)	2,255,736
Component Unit Total	<u>40,219</u>
Total (Excluding Agency Funds)	\$ <u><u>2,295,955</u></u>

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

KINGMAN COUNTY, KANSAS
 Summary of Expenditures - Actual and Budget
 For the Year Ended December 31, 2009

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Fund Categories					
General Fund	\$ 2,648,193	-	2,648,193	2,285,980	(362,213)
Special Revenue Funds					
Road and Bridge Fund	1,826,066	-	1,826,066	1,696,234	(129,832)
Special Bridge Fund	352,547	-	352,547	238,967	(113,580)
Public Health Fund	324,292	3,011	327,303	327,765	462
Activity Center Maintenance Fund	136,184	43,756	179,940	172,981	(6,959)
Extension Council Fund	134,116	-	134,116	137,198	3,082
County Appraiser Fund	184,868	-	184,868	165,394	(19,474)
Noxious Weed Fund	171,524	-	171,524	136,654	(34,870)
Noxious Weed Capital Outlay Fund	34,137	-	34,137	-	(34,137)
Election Fund	90,077	-	90,077	43,609	(46,468)
Council on Aging Fund	155,108	-	155,108	150,414	(4,694)
Ambulance Fund	165,134	-	165,134	154,609	(10,525)
Mental Health Fund	60,047	-	60,047	56,287	(3,760)
Mental Retardation Fund	68,534	-	68,534	62,778	(5,756)
Employee Benefits Fund	1,475,880	-	1,475,880	1,329,497	(146,383)
Out of District Tuition Fund	-	-	-	-	-
Special Parks and Recreation Fund	2,000	-	2,000	-	(2,000)
Special Alcohol and Drug Program Fund	4,595	-	4,595	5,476	881
Emergency Telephone Services (911) Fund	44,800	30,318	75,118	76,145	1,027
Debt Service Fund					
Bond and Interest Fund	154,278	-	154,278	139,619	(14,659)
Fiduciary Fund Category					
Private Purpose Trust Fund					
Special Motor Vehicle Fund	85,667	-	85,667	117,983	32,316

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

KINGMAN COUNTY, KANSAS
General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Taxes and Shared Revenue			
Ad Valorem Tax	\$ 1,776,465	1,775,210	1,255
Delinquent Tax	38,497	15,000	23,497
Vehicle Tax	121,824	117,254	4,570
Mineral Production Tax	42,075	90,000	(47,925)
Local Alcohol Liquor Tax	3,798	4,000	(202)
Total Taxes and Shared Revenue	<u>1,982,659</u>	<u>2,001,464</u>	<u>(18,805)</u>
Intergovernmental			
Federal Aid and Grants	240,611	-	240,611
State Tax Credit	79,876	-	79,876
State Aid	27,509	-	27,509
Total Intergovernmental	<u>347,996</u>	<u>-</u>	<u>347,996</u>
Licenses and Fees			
Mortgage Registration Fees	73,425	74,409	(984)
County Officers' Fees	56,560	25,000	31,560
Total Licenses and Fees	<u>129,985</u>	<u>99,409</u>	<u>30,576</u>
Charges for Services			
Attorney and Docket Fees	16,442	14,000	2,442
Solid Waste Disposal Fees	65,057	-	65,057
Total Charges for Services	<u>81,499</u>	<u>14,000</u>	<u>67,499</u>
Use of Money and Property			
Interest on Investments	50,425	140,000	(89,575)
Interest on Delinquent Taxes	43,251	28,395	14,856
Total Use of Money and Property	<u>93,676</u>	<u>168,395</u>	<u>(74,719)</u>
Miscellaneous			
Reimbursed Expenses	32,646	-	32,646
911 Dispatch Reimbursement	104,996	80,000	24,996
Zoning Fees	1,040	2,000	(960)
Transfer From Other Fund	57,779	-	57,779
Miscellaneous	28,462	60,000	(31,538)
Total Miscellaneous	<u>224,923</u>	<u>142,000</u>	<u>82,923</u>
Total Cash Receipts (Carried Forward)	<u>\$ 2,860,738</u>	<u>2,425,268</u>	<u>435,470</u>

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

KINGMAN COUNTY, KANSAS
General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Total Cash Receipts (Brought Forward)	\$ 2,860,738	2,425,268	435,470
Expenditures			
County Commission	67,306	67,300	6
County Clerk	122,628	125,800	(3,172)
County Treasurer	135,750	119,000	16,750
County Attorney	122,233	140,912	(18,679)
Register of Deeds	96,099	100,500	(4,401)
Sheriff	805,406	804,000	1,406
Courthouse General	466,277	836,700	(370,423)
Unified Court	95,131	94,500	631
County Coroner	6,924	7,000	(76)
Ambulance	27,427	33,000	(5,573)
Conservation District	25,000	25,000	-
Fair	17,875	17,875	-
Payments to Agencies	10,367	-	10,367
Human Resources	40,724	38,609	2,115
Zoning	14,244	32,500	(18,256)
Emergency Management	37,885	63,350	(25,465)
Economic Development	50,389	58,676	(8,287)
Environmental Services	13,500	-	13,500
Solid Waste	54,486	30,000	24,486
County Counselor	33,278	36,000	(2,722)
Juvenile Court Supervisor	10,535	10,000	535
Victim Wellness (Sexual Assault)	5,400	5,900	(500)
Refunds	1,168	-	1,168
Neighborhood Revitalization Rebate	19,343	1,571	17,772
TIF Program	6,605	-	6,605
Total Expenditures	2,285,980	2,648,193	(362,213)
Receipts Over (Under) Expenditures	574,758		
Unencumbered Cash - Beginning, As Previously Stated	202,898		
Prior Period Adjustment	(104,029)		
Unencumbered Cash - Beginning, As Restated	98,869		
Unencumbered Cash - Ending	\$ 673,627		

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

KINGMAN COUNTY, KANSAS
General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
County Commission			
Personal Services	\$ 53,250	59,600	(6,350)
Contractual Services	14,025	7,000	7,025
Commodities	31	700	(669)
Department Total	<u>67,306</u>	<u>67,300</u>	<u>6</u>
County Clerk			
Personal Services	109,012	110,000	(988)
Contractual Services	9,547	8,000	1,547
Commodities	3,565	4,800	(1,235)
Capital Outlay	504	3,000	(2,496)
Department Total	<u>122,628</u>	<u>125,800</u>	<u>(3,172)</u>
County Treasurer			
Personal Services	102,917	94,000	8,917
Contractual Services	21,722	14,000	7,722
Commodities	10,510	8,000	2,510
Capital Outlay	601	3,000	(2,399)
Department Total	<u>135,750</u>	<u>119,000</u>	<u>16,750</u>
County Attorney			
Personal Services	104,443	117,500	(13,057)
Contractual Services	11,403	16,912	(5,509)
Commodities	6,387	5,000	1,387
Capital Outlay	-	1,500	(1,500)
Department Total	<u>122,233</u>	<u>140,912</u>	<u>(18,679)</u>
Register of Deeds			
Personal Services	74,458	82,000	(7,542)
Contractual Services	6,351	10,000	(3,649)
Commodities	7,729	5,500	2,229
Capital Outlay	7,561	3,000	4,561
Department Total	<u>96,099</u>	<u>100,500</u>	<u>(4,401)</u>
Sheriff			
Personal Services	546,224	566,000	(19,776)
Contractual Services	100,559	100,000	559
Commodities	49,107	66,000	(16,893)
Capital Outlay	109,516	72,000	37,516
Department Total	<u>\$ 805,406</u>	<u>804,000</u>	<u>1,406</u>

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

KINGMAN COUNTY, KANSAS
General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Courthouse General			
Personal Services	\$ 76,396	78,700	(2,304)
Contractual Services	302,065	350,000	(47,935)
Commodities	17,019	60,000	(42,981)
Capital Outlay	70,797	348,000	(277,203)
Department Total	<u>466,277</u>	<u>836,700</u>	<u>(370,423)</u>
Unified Court			
Contractual Services	66,123	78,300	(12,177)
Commodities	7,637	8,500	(863)
Capital Outlay	21,371	7,700	13,671
Department Total	<u>95,131</u>	<u>94,500</u>	<u>631</u>
Other			
County Coroner	6,924	7,000	(76)
Ambulance	27,427	33,000	(5,573)
Conservation District	25,000	25,000	-
Fair	17,875	17,875	-
Payments to Agencies	10,367	-	10,367
Human Resources	40,724	38,609	2,115
Zoning	14,244	32,500	(18,256)
Emergency Management	37,885	63,350	(25,465)
Economic Development	50,389	58,676	(8,287)
Environmental Services	13,500	-	13,500
Solid Waste	54,486	30,000	24,486
County Counselor	33,278	36,000	(2,722)
Juvenile Court Supervisor	10,535	10,000	535
Victim Wellness (Sexual Assault)	5,400	5,900	(500)
Refunds	1,168	-	1,168
Neighborhood Revitalization Rebate	19,343	1,571	17,772
TIF Program	6,605	-	6,605
Total Other	<u>375,150</u>	<u>359,481</u>	<u>15,669</u>
Total Expenditures	<u>\$ 2,285,980</u>	<u>2,648,193</u>	<u>(362,213)</u>

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

KINGMAN COUNTY, KANSAS
Road and Bridge Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue			
Ad Valorem Tax	\$ 1,143,275	1,143,247	28
Delinquent Tax	25,639	-	25,639
Vehicle Tax	89,915	90,682	(767)
Special Motor Fuels	428,497	520,000	(91,503)
Miscellaneous	51,967	40,000	11,967
Total Cash Receipts	1,739,293	1,793,929	(54,636)
Expenditures			
Personal Services	511,213	579,251	(68,038)
Contractual Services	170,427	142,131	28,296
Commodities	806,166	966,765	(160,599)
Capital Outlay	146,724	136,802	9,922
Neighborhood Revitalization Rebate	12,555	1,117	11,438
TIF Program	4,253	-	4,253
Transfers to Other Funds	44,896	-	44,896
Total Expenditures	1,696,234	1,826,066	(129,832)
Cash Receipts Over (Under) Expenditures	43,059		
Unencumbered Cash - Beginning, As Previously Stated	-		
Prior Period Adjustment	(43,059)		
Unencumbered Cash - Beginning, As Restated	(43,059)		
Unencumbered Cash - Ending	\$ -		

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

KINGMAN COUNTY, KANSAS
Special Bridge Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Taxes and Shared Revenue			
Ad Valorem Tax	\$ 319,411	317,748	1,663
Delinquent Tax	9,714	5,000	4,714
Vehicle Tax	32,724	29,799	2,925
Total Cash Receipts	<u>361,849</u>	<u>352,547</u>	<u>9,302</u>
Expenditures			
Capital Outlay	234,291	352,250	(117,959)
Neighborhood Revitalization Rebate	3,494	297	3,197
TIF Program	1,182	-	1,182
Total Expenditures	<u>238,967</u>	<u>352,547</u>	<u>(113,580)</u>
Cash Receipts Over (Under) Expenditures	122,882		
Unencumbered Cash - Beginning	<u>-</u>		
Unencumbered Cash - Ending	<u>\$ 122,882</u>		

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

KINGMAN COUNTY, KANSAS
Public Health Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Taxes and Shared Revenue			
Ad Valorem Tax	\$ 139,101	139,090	11
Delinquent Tax	2,552	-	2,552
Vehicle Tax	8,497	8,258	239
Intergovernmental	91,032	103,944	(12,912)
Charges for Services	76,011	73,000	3,011
Total Cash Receipts	317,193	324,292	(7,099)
Expenditures			
Personal Services	210,942	207,607	3,335
Contractual Services	41,112	47,100	(5,988)
Commodities	51,664	57,450	(5,786)
Capital Outlay	8,860	12,000	(3,140)
Neighborhood Revitalization Rebate	1,525	135	1,390
TIF Program	518	-	518
Coalition for Public Health	13,144	-	13,144
(a) Adjustment for Qualifying Budget Credit	-	3,011	(3,011)
Total Expenditures	327,765	327,303	462
Cash Receipts Over (Under) Expenditures	(10,572)		
Unencumbered Cash - Beginning, As Previously Stated	-		
Restatement	(14,338)		
Unencumbered Cash - Beginning, As Restated	(14,338)		
Unencumbered Cash - Ending	\$ (24,910)		
(a) Adjustment for Qualifying Budget Credits			
Excess Charges for Services Over Amount Budgeted		\$ 3,011	

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

KINGMAN COUNTY, KANSAS
Activity Center Maintenance Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Taxes and Shared Revenue			
Ad Valorem Tax	\$ 90,270	90,280	(10)
Delinquent Tax	1,780	-	1,780
Vehicle Tax	5,853	5,904	(51)
Charges for Services	61,069	40,000	21,069
Insurance Reimbursements	22,687	-	22,687
Total Cash Receipts	181,659	136,184	45,475
Expenditures			
Personal Services	36,416	40,000	(3,584)
Contractual Services	46,023	38,000	8,023
Commodities	18,527	23,100	(4,573)
Capital Outlay	35,688	35,000	688
Neighborhood Revitalization Rebate	991	84	907
TIF Program	336	-	336
Transfer to Other Fund	35,000	-	35,000
(a) Adjustment for Qualifying Budget Credit	-	43,756	(43,756)
Total Expenditures	172,981	179,940	(6,959)
Cash Receipts Over (Under) Expenditures	8,678		
Unencumbered Cash - Beginning, As Previously Stated	-		
Prior Period Adjustment	(2,925)		
Unencumbered Cash - Beginning, As Restated	(2,925)		
Unencumbered Cash - Ending	\$ 5,753		
(a) Adjustment for Qualifying Budget Credits			
Charges for Services Over Amount Budgeted	\$ 21,069		
Insurance Reimbursements Over Amount Budgeted	22,687		
	\$ 43,756		

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

KINGMAN COUNTY, KANSAS
Extension Council Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Taxes and Shared Revenue			
Ad Valorem Tax	\$ 124,748	124,636	112
Delinquent Tax	2,879	-	2,879
Vehicle Tax	9,571	9,480	91
Total Cash Receipts	<u>137,198</u>	<u>134,116</u>	<u>3,082</u>
Expenditures			
Appropriation	135,365	134,000	1,365
Neighborhood Revitalization Rebate	1,369	116	1,253
TIF Program	464	-	464
Total Expenditures	<u>137,198</u>	<u>134,116</u>	<u>3,082</u>
Cash Receipts Over (Under) Expenditures	-		
Unencumbered Cash - Beginning	<u>-</u>		
Unencumbered Cash - Ending	\$ <u><u>-</u></u>		

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

KINGMAN COUNTY, KANSAS
County Appraiser Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Taxes and Shared Revenue			
Ad Valorem Tax	\$ 153,383	153,284	99
Delinquent Tax	3,797	1,000	2,797
Vehicle Tax	13,138	13,190	(52)
Miscellaneous	9,145	7,700	1,445
Total Cash Receipts	<u>179,463</u>	<u>175,174</u>	<u>4,289</u>
Expenditures			
Personal Services	83,333	133,522	(50,189)
Contractual Services	70,352	33,700	36,652
Commodities	4,091	7,500	(3,409)
Capital Outlay	5,363	10,000	(4,637)
Neighborhood Revitalization Rebate	1,685	146	1,539
TIF Program	570	-	570
Total Expenditures	<u>165,394</u>	<u>184,868</u>	<u>(19,474)</u>
Cash Receipts Over (Under) Expenditures	<u>14,069</u>		
Unencumbered Cash - Beginning, As Previously Stated	33,223		
Prior Period Adjustment	<u>(8,560)</u>		
Unencumbered Cash - Beginning, As Restated	<u>24,663</u>		
Unencumbered Cash - Ending	<u>\$ 38,732</u>		

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

KINGMAN COUNTY, KANSAS
Noxious Weed Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Taxes and Shared Revenue			
Ad Valorem Tax	\$ 106,126	106,281	(155)
Delinquent Tax	1,817	-	1,817
Vehicle Tax	4,888	4,708	180
Sales of Chemicals	47,763	45,000	2,763
Total Cash Receipts	<u>160,594</u>	<u>155,989</u>	<u>4,605</u>
Expenditures			
Personal Services	41,843	60,000	(18,157)
Contractual Services	9,997	15,000	(5,003)
Commodities	79,322	96,425	(17,103)
Capital Outlay	3,934	-	3,934
Neighborhood Revitalization Rebate	1,163	99	1,064
TIF Program	395	-	395
Total Expenditures	<u>136,654</u>	<u>171,524</u>	<u>(34,870)</u>
Cash Receipts Over (Under) Expenditures	<u>23,940</u>		
Unencumbered Cash - Beginning, As Previously Stated	70,759		
Prior Period Adjustment	<u>(3,462)</u>		
Unencumbered Cash - Beginning, As Restated	<u>67,297</u>		
Unencumbered Cash - Ending	<u>\$ 91,237</u>		

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

KINGMAN COUNTY, KANSAS
Noxious Weed Capital Outlay Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts	\$ -	-	-
Expenditures	-	34,137	(34,137)
Cash Receipts Over (Under) Expenditures	-		
Unencumbered Cash - Beginning	<u>41,859</u>		
Unencumbered Cash - Ending	<u>\$ 41,859</u>		

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

KINGMAN COUNTY, KANSAS
Election Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Taxes and Shared Revenue			
Ad Valorem Tax	\$ 82,580	82,651	(71)
Delinquent Tax	1,804	-	1,804
Vehicle Tax	6,410	6,604	(194)
Total Cash Receipts	<u>90,794</u>	<u>89,255</u>	<u>1,539</u>
Expenditures			
Personal Services	12,413	10,500	1,913
Contractual Services	11,539	30,000	(18,461)
Commodities	642	25,000	(24,358)
Capital Outlay	17,800	24,500	(6,700)
Neighborhood Revitalization Rebate	908	77	831
TIF Program	307	-	307
Total Expenditures	<u>43,609</u>	<u>90,077</u>	<u>(46,468)</u>
Cash Receipts Over (Under) Expenditures	<u>47,185</u>		
Unencumbered Cash - Beginning, As Previously Stated	25,023		
Prior Period Adjustment	<u>(237)</u>		
Unencumbered Cash - Beginning, As Restated	<u>24,786</u>		
Unencumbered Cash - Ending	<u>\$ 71,971</u>		

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

KINGMAN COUNTY, KANSAS
Council on Aging Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Taxes and Shared Revenue			
Ad Valorem Tax	\$ 136,361	136,339	22
Delinquent Tax	3,215	1,000	2,215
Vehicle Tax	10,838	10,814	24
Total Cash Receipts	150,414	148,153	2,261
Expenditures			
Appropriation	148,410	154,981	(6,571)
Neighborhood Revitalization Rebate	1,497	127	1,370
TIF Program	507	-	507
Total Expenditures	150,414	155,108	(4,694)
Cash Receipts Over (Under) Expenditures	-		
Unencumbered Cash - Beginning	9,773		
Unencumbered Cash - Ending	\$ 9,773		

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

KINGMAN COUNTY, KANSAS
Ambulance Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue			
Ad Valorem Tax	\$ 143,557	143,532	25
Delinquent Tax	3,281	2,000	1,281
Vehicle Tax	10,264	10,110	154
Total Cash Receipts	<u>157,102</u>	<u>155,642</u>	<u>1,460</u>
Expenditures			
Appropriation	152,500	165,000	(12,500)
Neighborhood Revitalization Rebate	1,575	134	1,441
TIF Program	534	-	534
Total Expenditures	<u>154,609</u>	<u>165,134</u>	<u>(10,525)</u>
Cash Receipts Over (Under) Expenditures	2,493		
Unencumbered Cash - Beginning	<u>32,024</u>		
Unencumbered Cash - Ending	<u>\$ 34,517</u>		

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

KINGMAN COUNTY, KANSAS
Mental Health Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue			
Ad Valorem Tax	\$ 50,669	50,576	93
Delinquent Tax	1,304	1,000	304
Vehicle Tax	4,314	4,252	62
Total Cash Receipts	<u>56,287</u>	<u>55,828</u>	<u>459</u>
Expenditures			
Appropriation	55,543	60,000	(4,457)
Neighborhood Revitalization Rebate	556	47	509
TIF Program	188	-	188
Total Expenditures	<u>56,287</u>	<u>60,047</u>	<u>(3,760)</u>
Cash Receipts Over (Under) Expenditures	-		
Unencumbered Cash - Beginning	<u>5,561</u>		
Unencumbered Cash - Ending	<u>\$ 5,561</u>		

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

KINGMAN COUNTY, KANSAS
Mental Retardation Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue			
Ad Valorem Tax	\$ 56,310	56,249	61
Delinquent Tax	1,493	1,000	493
Vehicle Tax	4,975	4,909	66
Total Cash Receipts	<u>62,778</u>	<u>62,158</u>	<u>620</u>
Expenditures			
Appropriation	61,951	68,481	(6,530)
Neighborhood Revitalization Rebate	618	53	565
TIF Program	209	-	209
Total Expenditures	<u>62,778</u>	<u>68,534</u>	<u>(5,756)</u>
Cash Receipts Over (Under) Expenditures	-		
Unencumbered Cash - Beginning	-		
Unencumbered Cash - Ending	<u>\$ -</u>		

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

KINGMAN COUNTY, KANSAS
Employee Benefits Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Taxes and Shared Revenue			
Ad Valorem Tax	\$ 943,597	941,577	2,020
Delinquent Tax	25,204	22,408	2,796
Vehicle Tax	81,217	78,041	3,176
Reimbursed Expenses	107,876	-	107,876
Total Cash Receipts	<u>1,157,894</u>	<u>1,042,026</u>	<u>115,868</u>
Expenditures			
Health Insurance	911,823	915,000	(3,177)
Other Insurance	43,614	170,000	(126,386)
Social Security	186,680	180,000	6,680
Retirement	112,065	120,000	(7,935)
Workmen's Compensation	59,180	80,000	(20,820)
Unemployment Tax	2,287	10,000	(7,713)
Neighborhood Revitalization Rebate	10,345	880	9,465
TIF Program	3,503	-	3,503
Total Expenditures	<u>1,329,497</u>	<u>1,475,880</u>	<u>(146,383)</u>
Cash Receipts Over (Under) Expenditures	(171,603)		
Unencumbered Cash - Beginning	<u>562,667</u>		
Unencumbered Cash - Ending	<u>\$ 391,064</u>		

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

KINGMAN COUNTY, KANSAS
Out of District Tuition Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Taxes and Shared Revenue			
Delinquent Tax	\$ 185	-	185
Expenditures	-	-	-
Cash Receipts Over (Under) Expenditures	185		
Unencumbered Cash - Beginning	-		
Unencumbered Cash - Ending	\$ 185		

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

KINGMAN COUNTY, KANSAS
Special Parks and Recreation Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
State Alcohol Tax	\$ 3,798	<u>2,000</u>	<u>1,798</u>
Expenditures	<u>-</u>	<u>2,000</u>	<u>(2,000)</u>
Cash Receipts Over (Under) Expenditures	3,798		
Unencumbered Cash - Beginning	<u>3,266</u>		
Unencumbered Cash - Ending	<u>\$ 7,064</u>		

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

KINGMAN COUNTY, KANSAS
Special Alcohol and Drug Program Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts			
State Alcohol Tax	\$ <u>6,458</u>	<u>3,200</u>	<u>3,258</u>
Expenditures			
Contractual Services	<u>5,476</u>	<u>4,595</u>	<u>881</u>
Cash Receipts Over (Under) Expenditures	982		
Unencumbered Cash - Beginning	<u>618</u>		
Unencumbered Cash - Ending	\$ <u><u>1,600</u></u>		

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

KINGMAN COUNTY, KANSAS
Emergency Telephone Services (911) Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts			
Taxes and Shared Revenue			
911 Wireless Fees	\$ 13,351	9,000	4,351
911 Telephone Tax	30,517	32,000	(1,483)
State Wireless 911 Grant	30,318	-	30,318
Interest on Checking	7	-	7
Total Cash Receipts	<u>74,193</u>	<u>41,000</u>	<u>33,193</u>
Expenditures			
Personal Services	56	-	56
Contractual Services	69,758	37,500	32,258
Commodities	1,518	4,000	(2,482)
Capital Outlay	4,813	3,300	1,513
(a) Adjustment for Qualifying Budget Credit	-	30,318	(30,318)
Total Expenditures	<u>76,145</u>	<u>75,118</u>	<u>1,027</u>
Cash Receipts Over (Under) Expenditures	(1,952)		
Unencumbered Cash - Beginning	<u>55,991</u>		
Unencumbered Cash - Ending	<u>\$ 54,039</u>		
(a) Adjustment for Qualifying Budget Credits			
911 Wireless Grant Over Amount Budgeted		<u>\$ 30,318</u>	

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

KINGMAN COUNTY, KANSAS
Special Machinery Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2009

	<u>Current Year Actual</u>
Cash Receipts	
Transfer From Other Fund	\$ 22,448
Expenditures	
Capital Outlay	<u>102,103</u>
Cash Receipts Over (Under) Expenditures	(79,655)
Unencumbered Cash - Beginning	<u>110,757</u>
Unencumbered Cash - Ending	\$ <u>31,102</u>

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

KINGMAN COUNTY, KANSAS
Special Highway Improvement Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2009

	<u>Current Year Actual</u>
Cash Receipts	
Transfer From Other Fund	\$ 22,448
Expenditures	
Road Materials	87,889
Capital Outlay	<u>53,537</u>
Total Expenditures	<u>141,426</u>
Cash Receipts Over (Under) Expenditures	(118,978)
Unencumbered Cash - Beginning	<u>448,812</u>
Unencumbered Cash - Ending	<u>\$ 329,834</u>

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

KINGMAN COUNTY, KANSAS
Activity Center Roof Replacement Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2009

	<u>Current Year Actual</u>
Cash Receipts	
Transfer From Other Fund	\$ 35,000
Expenditures	<u> -</u>
Cash Receipts Over (Under) Expenditures	35,000
Unencumbered Cash - Beginning	<u> 21,597</u>
Unencumbered Cash - Ending	\$ <u><u> 56,597</u></u>

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

KINGMAN COUNTY, KANSAS
Bond and Interest Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts			
Taxes and Shared Revenue			
Ad Valorem Tax	\$ 147,226	147,283	(57)
Delinquent Tax	2,477	1,000	1,477
Vehicle Tax	6,468	5,995	473
Total Cash Receipts	<u>156,171</u>	<u>154,278</u>	<u>1,893</u>
Expenditures			
Bond Principal	108,128	108,128	-
Bond Interest and Fees	29,331	29,332	(1)
Cash Basis Reserve	-	16,680	(16,680)
Neighborhood Revitalization Rebate	1,612	138	1,474
TIF Program	548	-	548
Total Expenditures	<u>139,619</u>	<u>154,278</u>	<u>(14,659)</u>
Cash Receipts Over (Under) Expenditures	16,552		
Unencumbered Cash - Beginning	<u>-</u>		
Unencumbered Cash - Ending	\$ <u>16,552</u>		

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

KINGMAN COUNTY, KANSAS
Special Motor Vehicle Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts			
Collections	\$ 85,665	84,823	842
Reimbursements	<u>475</u>	<u>-</u>	<u>475</u>
Total Cash Receipts	<u>86,140</u>	<u>84,823</u>	<u>1,317</u>
Expenditures			
Personal Services	51,943	58,000	(6,057)
Contractual Services	6,489	14,796	(8,307)
Commodities	1,772	7,505	(5,733)
Capital Outlay	-	5,366	(5,366)
Transfers Out	<u>57,779</u>	<u>-</u>	<u>57,779</u>
Total Expenditures	<u>117,983</u>	<u>85,667</u>	<u>32,316</u>
Cash Receipts Over (Under) Expenditures	<u>(31,843)</u>		
Unencumbered Cash - Beginning, As Previously Stated	33,881		
Prior Period Adjustment	<u>(2,038)</u>		
Unencumbered Cash - Beginning, As Restated	<u>31,843</u>		
Unencumbered Cash - Ending	\$ <u>-</u>		

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

KINGMAN COUNTY, KANSAS
Prosecutor Training Assistance Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2009

	<u>Current Year Actual</u>
Cash Receipts	
Collections	\$ 2,032
Expenditures	
Contractual Services	<u>849</u>
Cash Receipts Over (Under) Expenditures	1,183
Unencumbered Cash - Beginning	<u>4,462</u>
Unencumbered Cash - Ending	<u>\$ 5,645</u>

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

KINGMAN COUNTY, KANSAS
Extension Council
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2009

	<u>Current Year Actual</u>
Cash Receipts	
County Appropriations	\$ 135,365
KSU Salary Participation	28,024
Educational Services	4,197
Interest and Miscellaneous Income	<u>109</u>
Total Cash Receipts	<u>167,695</u>
Expenditures	
Audit, Printing, and Treasury Bond	375
Telephone	2,099
Postage and Supplies	2,716
Equipment	8,133
Miscellaneous	8,404
Transportation	1,614
Subsistence	303
Salaries	117,096
Social Security and Retirement	16,923
Educational Services	<u>5,693</u>
Total Expenditures	<u>163,356</u>
Receipts Over (Under) Expenditures	4,339
Unencumbered Cash - Beginning	<u>35,880</u>
Unencumbered Cash - Ending	<u>\$ 40,219</u>

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

KINGMAN COUNTY, KANSAS
Distributable Funds, State Funds, Subdivision Funds and Agency Funds
 Statement of Cash Receipts and Cash Disbursements
 For the Year Ended December 31, 2009

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Distributable Funds				
Current Tax	\$ 9,174,467	14,801,434	14,632,807	9,343,094
Motor Vehicle 16/20M Tax	50,556	85,085	76,201	59,440
RV Tax	3,231	19,596	19,682	3,145
Advanced/Escrow Taxes	20,464	289,722	297,882	12,304
Clearing Fund	(125)	19,202	19,318	(241)
Delinquent Real Estate Tax	82,655	204,738	237,891	49,502
Delinquent Personal Property Tax	2,301	160,891	149,467	13,725
Delinquent 16/20M Tax	833	3,034	3,831	36
Other Taxes	(140)	619,663	619,523	-
Motor Vehicle Registration	184,449	1,012,962	1,009,334	188,077
Motor Vehicle Fund	2,091	-	-	2,091
Excise Tax	140	31	-	171
Neighborhood Revitalization Program	(2,286)	173,831	171,545	-
Operating Returned Checks	(2,962)	32,840	27,835	2,043
Total Distributable Funds	9,515,674	17,423,029	17,265,316	9,673,387
State Funds				
State General Fund	1	23	24	-
State Drivers Licenses	169	36,620	36,620	169
State Educational Fund	-	134,740	134,740	-
State Institutions Building Tax	-	67,371	67,371	-
Motor Vehicle License Plate Refunds	(412)	6,145	6,224	(491)
Combined Motor Vehicle Sales Tax	11,732	155,974	151,026	16,680
Game Licenses	(166)	18,515	18,515	(166)
Antique Vehicle	1,853	12,594	11,735	2,712
Total State Funds	13,177	431,982	426,255	18,904
Subdivision Funds				
Cemetery Districts	(238)	37,320	37,082	-
Cities	49	1,418,460	1,418,509	-
Hospital Districts	-	95,306	95,306	-
School Districts	41,375	6,137,710	6,173,608	5,477
Townships	(5,109)	2,002,302	1,997,193	-
Regional Library	-	97,050	97,050	-
Fire Districts	-	19,272	19,272	-
Total Subdivision Funds	\$ 36,077	9,807,420	9,838,020	5,477

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

KINGMAN COUNTY, KANSAS
Distributable Funds, State Funds, Subdivision Funds and Agency Funds
 Statement of Cash Receipts and Cash Disbursements
 For the Year Ended December 31, 2009

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Agency Funds				
Payroll Clearing	\$ 18,940	300,116	320,310	(1,254)
District Court	12,020	598,530	592,952	17,598
Law Library	258	14,081	8,540	5,799
Sheriff Drug Seizure	4,656	-	4,656	-
Federal Drug Seizure	3,139	-	3,139	-
Sheriff Seized Money Trust Fund	100	10,840	10,852	88
Special Prosecutor Trust	8,471	-	-	8,471
Diversion	343	16,375	45	16,673
Register of Deeds Technology	88,695	19,945	54,410	54,230
Sheriff Equipment	11,983	12,453	173	24,263
Emergency Preparedness	(22)	-	(22)	-
Civil Defense	5,497	5,081	-	10,578
United States Treasury	(587)	-	(547)	(40)
Early Detection Works Grant	-	3,881	4,211	(330)
SK Coalition for Public Health	-	63,025	51,018	12,007
Other	50	450	75	425
Total Agency Funds	<u>153,543</u>	<u>1,044,777</u>	<u>1,049,812</u>	<u>148,508</u>
Totals	<u>\$ 9,718,471</u>	<u>28,707,208</u>	<u>28,579,403</u>	<u>9,846,276</u>

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

KINGMAN COUNTY, KANSAS
Notes to Financial Statements
December 31, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Kingman County, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented to conform to the statutory basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Reporting Entity

Kingman County, Kansas is a municipal corporation governed by an elected three-member commission. The County receives funding from local, state and federal government sources and must comply with the requirements of these funding sources. The financial statements of the County consist of all the funds of the County that are considered to be controlled by or dependent on the County. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

Kingman County, Kansas is the primary government as defined in GASB #14 and further amended by GASB #39. The County Commission is elected by the public. The Commission has the authority to make decisions, levy taxes, influence operations and has the primary accountability in fiscal matters.

The component unit section of these financial statements includes the financial data of the discretely presented component unit. This component unit is reported separately to emphasize that it is legally separate from the County.

Kingman County Extension Council – The Kingman County Extension Council provides services in such areas as agriculture, home economics, and 4-H Club to all persons of the County. The Council has an elected executive board. The County annually budgets an appropriation to the Council that makes the Council financially dependent on the County.

The following are separate component units of **Kingman County, Kansas**. The County exercises significant influence or accountability based primarily on operational or financial relationships with the County (as distinct from legal relationship). These are not included in the presentation of the primary government, and the County does not discretely present them.

Kingman County Council on Aging – The Council provides services to the citizens of Kingman County. The Council is governed by a board of directors. The County annually budgets an appropriation to the Council that makes the Council financially dependent on the County. The Council is audited annually and those audited financial statements are available at their offices.

Kingman County, Kansas Public Building Commission (PBC) – The PBC is organized under Kansas Statutes for the purpose of acquiring a site for constructing, reconstructing, equipping and furnishing, or purchasing or otherwise acquiring, a building or buildings or other facilities of a revenue producing character. The Board's members are appointed by the County Commissioners. The County sustainably funds the PBC's operations by subleasing the hospital building from the PBC. The Kingman County, Kansas Public Building Commission is audited annually through the Ninnescah Valley Health System audit and those audited financial statements are available at the hospital offices.

Use of Estimates

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the statutory basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

KINGMAN COUNTY, KANSAS

Notes to Financial Statements

December 31, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation – Fund Accounting

The accounts of **Kingman County, Kansas** are organized and operated on the basis of funds. In governmental accounting, a fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following categories of funds comprise the financial activities of the County for the year ended December 31, 2009.

Governmental Fund Categories

General Fund – reports as the primary fund for the County. This fund is used to account for all financial resources not reported in other funds.

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

Debt Service Funds – to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt and the financing of special assessments which are general obligations of the County.

Capital Project Funds – to account for financial resources to be used for the acquisition and construction of capital facilities (other than those financed by proprietary funds) including capital outlays financed by general obligation bonds.

Fiduciary Fund Categories

Private Purpose Trust Funds – to account for assets held by governmental units as trustee or agent for others. The principal and income of these funds may be expended in the course of the fund's designated operations.

Agency Funds – to account for fiduciary assets held by the County in a custodial capacity as an agent on behalf of others.

Statutory Basis of Accounting

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Departure From Accounting Principles Generally Accepted in the United States of America

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

Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such amendments.

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

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

A legal operating budget is not required for capital project funds, fiduciary funds and the following special revenue funds: Special Machinery Fund and Special Highway Improvement Fund.

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

KINGMAN COUNTY, KANSAS
Notes to Financial Statements
December 31, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deposits and Investments

Kingman County, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund type in the summary of cash receipts, cash disbursements and unencumbered cash.

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

K.S.A. 12-1675 limits the County's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The County has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The County did not use "peak periods" during 2009. All deposits were legally secured at December 31, 2009.

At December 31, 2009, the County's carrying amount of deposits was \$12,102,012 and the bank balance was \$12,273,257. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$8,692,510 was covered by federal depository insurance and \$3,580,746 was collateralized with securities held by the pledging financial institutions' agents in the County's name. In addition, the County had cash and cash items on hand of \$850.

At December 31, 2009, the Kingman County Extension Council's carrying amount of deposits was \$40,219 and the bank balance was \$47,700. The council's bank balance was held by one bank resulting in a concentration of credit risk. The entire bank balance was covered by federal depository insurance.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the County will not be able to recover the value of its investments of collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The County had no investments at December 31, 2009.

Compensated Absences

Vacation Leave Policy

Vacation with pay is granted for all regular full-time employees. A minimum of 10 days and a maximum of 20 days paid vacation are granted based on years of employment. At any given time, the maximum amount of vacation time that may be accumulated shall be the number of hours that employee has earned during the

KINGMAN COUNTY, KANSAS
Notes to Financial Statements
December 31, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

immediately preceding 12 months. An employee must use the vacation time earned each year, may donate the time to the Shared Leave time account, or with prior approval of both the Payroll Clerk and the employee's department head, may carry over up to 5 days into the new year for a period of up to 30 calendar days. Upon termination, employees shall be reimbursed for all accumulated vacation time. The total liability for accrued vacation at December 31, 2009 was \$46,071 and is included in the financial statements in encumbrances.

Sick Leave Policy

Sick leave with pay is granted at the rate of 8 hours of leave each month for all regular full-time employees. Full sick leave benefits will be allowed to accumulate up to a maximum of 960 hours. Any employee accruing sick leave in excess of 960 hours will receive pay for one-half of any additional sick days in December of each year. Accumulated sick leave shall not be paid out upon termination of employment, with the exception of retirement, when the employee shall be paid up to 184 hours. The County's total potential liability for sick leave was \$230,591 at December 31, 2009. After applying the 184 hour limit, the calculated liability is \$88,486, which is shown in Note 13 – Long-Term Debt.

Defined Benefit Pension Plan

Plan Description

Kingman County, Kansas contributes to the Kansas Public Employees Retirement System (KPERS), a cost sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603-3869) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% and 6% (if hired on or after July 1, 2009) of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The KPERS employer rate established for calendar year 2009 was 6.54%. **Kingman County, Kansas'** employer contributions to KPERS for the years ending December 31, 2009, 2008, and 2007 were \$119,975, \$115,637, and \$96,984, respectively, equal to the required contributions for each year.

Deferred Compensation Plan

The County sponsors a deferred compensation plan under the Internal Revenue Code Section 457(b). All employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The County is not responsible to make any contributions.

Other Post Employment Benefits

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

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

KINGMAN COUNTY, KANSAS
Notes to Financial Statements
December 31, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Tax Calendar

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien dates for personal property are in March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

Restricted Assets

Restricted cash balances are reported in various funds that are legally restricted for specified uses as the payment of debt service and fiscal fees on long-term debt, and for expenditures approved in federal and state grant contracts.

Reimbursements

The County records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund.

NOTE 2 – OPERATING TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. The County's operating transfers and statutory authority for December 31, 2009 were as follows:

<u>From Fund</u>	<u>To Fund</u>	<u>Statutory Authority</u>	<u>Amount</u>
Road and Bridge	Special Machinery	K.S.A. 68-141g	\$ 22,448
Road and Bridge	Special Highway Improvements	K.S.A. 68-590	22,448
Activity Center Maintenance	Activity Center Roof Replacement	K.S.A. 19-1290	35,000
Special Motor Vehicle	General	K.S.A. 8-145	57,779

NOTE 3 – CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

<u>Project Name</u>	<u>Project Authorization</u>	<u>Cash Disbursements and Accounts Payable to Date</u>
Overlay Surfacing Project	\$ 48,200	\$ <u>24,360</u>

NOTE 4 – LITIGATION

The County is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the funds of the County.

KINGMAN COUNTY, KANSAS
Notes to Financial Statements
December 31, 2009

NOTE 5 – RISK MANAGEMENT

Kingman County, Kansas is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has been able to obtain errors and omissions insurance at a cost it considers to be economically justifiable.

The County carries commercial insurance for other risks of loss, including general liability, property, inland marine, law enforcement legal liability, board liability, crime, workers compensation, automobile and public employees' surety bond insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three calendar years.

NOTE 6 – GRANTS AND SHARED REVENUES

The County participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the County, any liability for reimbursement, which may arise as the result of these audits, is not believed to be material.

NOTE 7 – LANDFILL CLOSURE AND POST CLOSURE COSTS

Kingman County, Kansas has a Municipal Solid Waste Landfill that was closed in 1993. State and federal laws and regulations require the County to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The future postclosure care cost is undeterminable at this time.

The County maintains a small landfill for construction and demolition waste only. State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County has a potential liability for a portion of this closure and post closure care costs in each period based on the landfill capacities used as of each year end. At December 31, 2009 the estimated closure costs are \$17,130. This potential liability is shown in Note 13 – Long-Term Debt.

The above figures have been estimated and the potential for change due to inflation or deflation, technology, or applicable laws or regulations, exists to affect the above calculations.

NOTE 8 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- a. Expenditures exceeding the adopted budget in the following funds are a violation of K.S.A. 79-2935: Public Health Fund \$462, the Extension Council Fund \$3,082, the Special Alcohol and Drug Program Fund \$881, and the Emergency Telephone Services (911) Fund \$1,027.
- b. The County had negative unencumbered cash balances in the following funds which is in violation of K.S.A. 10-1113: Public Health Fund \$(24,910), Clearing Agency Fund \$(241), Motor Vehicle License Plate Refunds Agency Fund \$(491), Game Licenses Agency Fund \$(166), Payroll Clearing Agency Fund \$(1,254), United States Treasury Agency Fund \$(40), and Early Detection Works Agency Fund \$(330).

NOTE 9 – SUBSEQUENT EVENTS

On May 1, 2010 the County issued \$2,000,000 of general obligation bonds for the purpose of providing funds to pay the costs of certain primary and arterial highway improvements.

KINGMAN COUNTY, KANSAS
Notes to Financial Statements
December 31, 2009

NOTE 10 – DEBT RESTRICTIONS AND COVENANTS

Kansas Department of Transportation Loan

Kingman County, Kansas entered into a loan agreement on December 13, 2004 with the Kansas Department of Transportation to fund road improvements for \$1,075,600. The loan agreement requires that the County provide for the repayment of this loan by providing dedicated funds. The County is in compliance with this requirement as of December 31, 2009 as it is providing dedicated funds through a debt service tax levy.

NOTE 11 – INDUSTRIAL REVENUE BONDS

On October 26, 2009 **Kingman County, Kansas** passed Resolution 2009-82 to authorize the issuance of IRD Bonds not to exceed \$5.1 million to promote, stimulate and develop the general economic welfare and prosperity of the County. The bonds shall not be general obligations of, or constitute a pledge of faith and credit of, the County and the bonds shall not be payable in any manner from tax revenues.

NOTE 12 – PRIOR PERIOD RESTATEMENT

The prior period balances have been adjusted to account for encumbrances that were not previously included in the financial statements. These encumbrances were for accrued payroll \$102,587, accrued vacation \$45,614, and other payables \$30,447. The Extension Council was also added as a component unit with a beginning balance of \$35,880.

	Beginning Unencumbered Cash Balance, As Previously Stated	Prior Period Adjustment	Beginning Unencumbered Cash Balance, As Restated
General	\$ 202,898	\$ (104,029)	\$ 98,869
Road and Bridge	-	(43,059)	(43,059)
Public Health	-	(14,338)	(14,338)
Activity Center Maintenance	-	(2,925)	(2,925)
County Appraiser	33,228	(8,560)	24,663
Noxious Weed	70,759	(3,462)	67,297
Election	25,023	(237)	24,786
Special Motor Vehicle	33,881	(2,038)	31,843
Component Unit:			
Extension Council	-	35,880	35,880

NOTE 13 – LONG-TERM DEBT

The County has the following types of long-term debt.

Revolving Loan

On December 13, 2004 the County entered into a loan agreement with the Kansas Department of Transportation for \$1,075,600 for the purpose of road improvements.

Lease Purchase Obligations

The County has entered into lease agreements with an option to purchase at the expiration of the lease terms. The leases contain a fiscal funding clause.

KINGMAN COUNTY, KANSAS
Notes to Financial Statements
December 31, 2009

13. LONG-TERM DEBT (continued)

Changes in long-term liabilities for the County for the year ended December 31, 2009, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
Revolving Loan										
KDOT Revolving Loan	3.87%	12/13/04	\$ 1,075,600	08/01/14	\$ 757,922	-	(108,128)		649,794	27,437
Capital Leases Payable										
Copier - Appraiser	3.44%	03/02/05	5,000	03/02/10	1,332	-	(1,061)		271	29
2006 Cat 143H Motor Grader	4.85%	07/21/06	150,267	07/21/11	94,441	-	(29,985)		64,456	4,221
2007 Ford F150 Pickup	5.20%	12/04/06	26,572	12/04/09	9,321	-	(9,321)		-	264
2006 JD 544J Wheel Loader	4.75%	02/26/07	94,223	02/26/10	35,580	-	(35,580)		-	994
Dodge Rams (4)	5.63%	03/15/07	56,295	03/15/10	18,747	-	(18,747)		-	1,055
2008 Ford F350 Super-cabs (2)	5.20%	04/16/07	46,012	04/16/10	21,336	-	(15,863)		5,473	735
2007 Jeep Compass	5.20%	05/14/07	14,551	05/14/10	5,098	-	(5,098)		-	265
2007 JD6615 AWD Tractor	4.59%	10/01/07	35,668	10/01/10	21,399	-	(12,017)		9,382	731
2005 Cat 160H Motor Grader	4.00%	04/15/08	135,000	04/15/13	118,608	-	(25,625)		92,983	4,279
Dodge Rams (3)	4.45%	05/16/08	90,347	05/16/11	58,911	-	(28,814)		30,097	2,622
2008 JD5425 Tractor	3.85%	09/08/08	35,794	01/10/13	35,794	-	(7,342)		28,452	468
2006 Cat 160H Motor Grader - Orig	4.35%	05/09/09	108,875	12/07/09	-	108,875	(108,875)		-	2,927
2006 Cat 160H Motor Grader - Refi	3.95%	12/07/09	97,940	05/07/14	-	97,940	(1,661)		96,279	322
2006 Cat 143H Motor Grader	3.95%	11/23/09	148,016	11/11/14	-	148,016	(2,235)		145,781	487
Total Contractual Indebtedness					1,178,489	354,831	(410,352)		1,122,968	46,836
Compensated Absences	N/A	N/A	N/A	N/A	93,575			(5,089)	88,486	
Landfill Closure Costs	N/A	N/A	N/A	N/A	17,130			-	17,130	
Total Long-Term Debt					\$ 1,289,194	354,831	(410,352)	(5,089)	1,228,584	46,836

KINGMAN COUNTY, KANSAS
Notes to Financial Statements
December 31, 2009

13. LONG-TERM DEBT (continued)

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

	Year					Total
	2010	2011	2012	2013	2014	
Principal						
Revolving Loan	\$ 112,312	116,659	121,174	125,863	173,786	649,794
Capital Leases Payable	157,824	117,412	87,808	70,947	39,183	473,174
Total Principal	<u>270,136</u>	<u>234,071</u>	<u>208,982</u>	<u>196,810</u>	<u>212,969</u>	<u>1,122,968</u>
Interest						
Revolving Loan	23,523	19,457	15,234	10,847	6,291	75,352
Capital Leases Payable	17,362	10,974	6,370	3,075	681	38,462
Total Interest	<u>40,885</u>	<u>30,431</u>	<u>21,604</u>	<u>13,922</u>	<u>6,972</u>	<u>113,814</u>
Total Principal and Interest	<u>\$ 311,021</u>	<u>264,502</u>	<u>230,586</u>	<u>210,732</u>	<u>219,941</u>	<u>1,236,782</u>