

KIOWA COUNTY, KANSAS

FINANCIAL REPORT

FOR THE YEAR ENDED
December 31, 2009

KIOWA COUNTY, KANSAS

Statutory Basis Financial Statements
(Primary Government and Selected Component Units)

For the Year Ended December 31, 2009

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KIOWA COUNTY, KANSAS
 Statutory Basis Financial Statements
 (Primary Government and Selected Component Units)
 For the Year Ended December 31, 2009

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INDEPENDENT AUDITORS' REPORT

The County Commissioners
Kiowa County Courthouse
Greensburg, Kansas 67054

We have audited the accompanying statutory basis financial statements of Kiowa County, Kansas, as of and for the year ended December 31, 2009, as listed in the table of contents for the primary government and selected component units including the Kiowa County Extension Council and Kiowa County Public Library. These statutory basis financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these statutory basis financial statements based on our audit. The prior year comparative information has been derived from the County's 2008 financial statements and, in our report dated June 16, 2009, we expressed an unqualified opinion on the statutory basis financial statements prepared on the basis of accounting described in Note 1.

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, and the Kansas Municipal Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 do not include financial data for all of the County's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The effect on the financial statements of the omission of the aggregate discretely presented component units, although not reasonably determinable, is presumed to be material.

As described in Note 1, the County prepared these statutory basis financial statements using accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The 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 omission of one of the discretely presented component units of Kiowa County, Kansas, and because of the effects of the matter described in the preceding paragraph, the statutory basis financial statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Kiowa County, Kansas, as of December 31, 2009, or the changes in its financial position, or where applicable, its cash flows for the year then ended. Further, the County has not presented a management's

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discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the statutory basis financial statements as discussed above present fairly, in all material respects, the cash and unencumbered cash balances of the primary government of Kiowa County, Kansas, and selected component units including the Kiowa County Extension Council and Kiowa County Public Library, as of December 31, 2009, and its cash receipts and expenditures, and budgetary comparisons for the year then ended, taken as a whole under the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated June 18, 2010, on our consideration of Kiowa County, Kansas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the statutory basis financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the statutory basis financial statements of Kiowa County, Kansas. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the statutory basis financial statements of Kiowa County, Kansas. Such additional information has been subjected to the auditing procedures applied in the audit of the statutory basis financial statements and, in our opinion, is fairly stated in all material respects, in relation to the statutory basis financial statements taken as a whole on the basis of accounting described in Note 1.



LEWIS, HOOPER & DICK, LLC

June 18, 2010

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

	Unencumbered Cash Balance 01/01/09	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Unencumbered Cash Balance 12/31/09	Add Accounts Payable and Encumbrances	Treasurer's Cash Balance 12/31/09
General Fund							
General	\$ 952,237	\$ -	\$ 3,068,025	\$ 3,457,599	\$ 562,663	\$ 59,687	\$ 622,350
Special Revenue Funds							
Appraiser	175,410	-	167,915	178,293	165,032	-	165,032
Bio-Terrorism Grant	15,667	-	5,444	12,295	8,816	-	8,816
Building	2,252,850	-	500,000	1,332,770	1,420,080	-	1,420,080
County Health	139,542	-	216,882	135,599	220,825	-	220,825
Equipment Reserve	751,548	-	2,961	425,038	329,471	72,411	401,882
Emergency 911 Phone Service	22,895	-	30,698	26,747	26,846	-	26,846
Ice Storm Disaster	2,006	-	-	-	2,006	-	2,006
Landfill Closure	222,706	-	36,241	-	258,947	-	258,947
Long Term Recovery	1,004,704	-	8,083,719	8,584,556	503,867	707,350	1,211,217
Neighborhood Facilities Donations	273	-	-	273	-	-	-
Noxious Weed	3,453	-	178,709	177,838	4,324	11,465	15,789
Pandemic Flu Grant	-	-	-	-	-	-	-
Prosecuting Attorneys' Training	312	-	2,024	1,472	864	-	864
Prosecutors' Trust	35,378	-	-	9,332	26,046	-	26,046
Register of Deeds' Technology	38,933	-	7,700	8,391	38,242	-	38,242
Road and Bridge	80,384	-	1,167,062	1,199,176	48,270	61,895	110,165
Rural Fire District	82,733	-	90,501	113,415	59,819	46,692	106,511
Special Bridge	417,013	-	86,210	29,592	473,631	-	473,631
Special Hospital - Phillips' Bequest	452,192	-	2,878	-	455,070	-	455,070
Special Law Enforcement Trust	40,621	-	1,931	31,185	11,367	-	11,367
Special Road and Bridge	471,472	-	177,303	185,709	463,066	-	463,066
Special Road Machinery and Equipment	166,500	-	-	35,000	131,500	-	131,500
Motor Vehicle Operating	20,900	-	26,401	29,633	17,668	-	17,668
Women, Infants and Children Grant	54,639	-	166,242	202,923	17,958	-	17,958
Worthless Check	25	-	200	-	225	-	225
Total Special Revenue Funds	<u>6,452,156</u>	<u>-</u>	<u>10,951,021</u>	<u>12,719,237</u>	<u>4,683,940</u>	<u>899,813</u>	<u>5,583,753</u>
Debt Service Fund							
Bond and Interest	-	-	124,975	20,499	104,476	-	104,476
Enterprise Funds							
Solid Waste	340,873	-	143,784	215,608	269,049	3,602	272,651
Internal Service Funds							
Health Insurance	203,170	-	527,897	517,548	213,519	-	213,519
Component Units							
Kiowa County Extension Council	56,458	-	153,367	153,615	56,210	-	56,210
Kiowa County Public Library	191,425	-	78,649	48,855	221,219	-	221,219
Total Component Units	<u>247,883</u>	<u>-</u>	<u>232,016</u>	<u>202,470</u>	<u>277,429</u>	<u>-</u>	<u>277,429</u>
Total Reporting Entity (excluding Agency Funds) (memorandum only)	<u>\$ 8,196,319</u>	<u>\$ -</u>	<u>\$ 15,047,718</u>	<u>\$ 17,132,961</u>	<u>\$ 6,111,076</u>	<u>\$ 963,102</u>	<u>\$ 7,074,178</u>
Composition of Cash							
Demand deposits:							
Greensburg State Bank						\$ 4,061,479	
Haviland State Bank						1,715,031	
Centera Bank						1,654,233	
Total demand deposits							\$ 7,430,743
Time deposits:							
Greensburg State Bank						269,135	
Peoples State Bank						1,521,873	
Total time deposits							1,791,008
Certificates of deposit:							
Greensburg State Bank						1,397,457	
Haviland State Bank						410,000	
Total certificates of deposit							1,807,457
Plus deposits in transit							1,612,819
Less outstanding checks							(261,809)
Change funds							1,670
Total cash							12,381,888
Less Agency Funds per Statement 4							(5,585,139)
Plus discrete component units							277,429
Total Reporting Entity's Treasurer's cash (excluding Agency Funds)							<u>\$ 7,074,178</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
 Summary of Expenditures - Actual and Budget
 (Budgeted Funds Only)
 For the Year Ended December 31, 2009

	Certified Budget	Adjustments for Qualifying Budget Credits	Total Budget	Expenditures Chargeable to Current Year	Variance Over (Under)
<u>General Fund</u>					
General	\$ 3,634,684	\$ 89,349	\$ 3,724,033	\$ 3,457,599	\$ (266,434)
<u>Special Revenue Funds</u>					
Appraiser	193,550	-	193,550	178,293	(15,257)
Building	1,550,000	-	1,550,000	1,332,770	(217,230)
County Health	230,150	-	230,150	135,599	(94,551)
Equipment Reserve	739,673	-	739,673	425,038	(314,635)
Emergency 911 Phone Service	67,225	-	67,225	26,747	(40,478)
Landfill Closure	276,631	-	276,631	-	(276,631)
Noxious Weed	187,696	-	187,696	177,838	(9,858)
Road and Bridge	1,205,140	-	1,205,140	1,199,176	(5,964)
Rural Fire District	113,415	-	113,415	113,415	-
Special Bridge	505,890	-	505,890	29,592	(476,298)
Special Road and Bridge	731,085	-	731,085	185,709	(545,376)
Special Road Machinery and Equipment	166,500	-	166,500	35,000	(131,500)
<u>Debt Service Fund</u>					
Bond and Interest	122,380	-	122,380	20,499	(101,881)
<u>Enterprise Funds</u>					
Solid Waste	215,653	-	215,653	215,608	(45)

The accompanying Notes to Financial Statements are an integral part of this statement.

General Fund

Fund Description

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

The General Fund functions are reported in three categories as follows:

General government:

- *General and administrative
- *County Commission
- *County Clerk
- *County Treasurer
- *Register of Deeds
- *Direct election
- *Commons Media Center
- *Employee benefits
- *Neighborhood facility
- *Agricultural extension
- *Conservation district
- *County fair
- *Historical records
- *Library
- *Services for elderly
- *Swimming pool
- *Economic Development

Public safety:

- *County Attorney
- *County Attorney - diversion
- *Sheriff
- *Sheriff - jail
- *District court
- *Emergency operations center
- *Weather tower

Health and sanitation:

- *Ambulance
- *Mental rehabilitation
- *Area Mental Health
- *Other

KIOWA COUNTY, KANSAS
 General Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash receipts:				
Taxes	\$ 2,654,875	\$ 2,665,446	\$ 2,658,803	\$ 6,643
Intergovernmental revenue	274,787	203,028	319,144	(116,116)
Licenses and fees	126,977	79,500	32,000	47,500
Use of money and property	340,745	59,412	60,000	(588)
Other	79,084	39,739	45,000	(5,261)
Transfers in	25,050	20,900	-	20,900
Total cash receipts	3,501,518	3,068,025	\$ 3,114,947	\$ (46,922)
Expenditures:				
General government:				
General and administrative	201,336	312,709	\$ 279,540	\$ 33,169
County Commission	161,102	141,488	182,066	(40,578)
County Clerk	78,988	76,328	77,477	(1,149)
County Treasurer	81,193	86,539	86,223	316
Register of Deeds	66,765	64,180	56,258	7,922
Direct election	36,710	9,245	32,257	(23,012)
Commons Media Center	-	39,598	70,000	(30,402)
Employee benefits	728,262	670,430	982,441	(312,011)
Neighborhood facility	-	-	25,639	(25,639)
Other agencies - general government	260,552	293,942	314,942	(21,000)
Public safety:				
County Attorney	83,243	88,173	79,727	8,446
County Attorney - diversion	12,000	25,914	-	25,914
Sheriff	643,312	662,027	659,541	2,486
District court	75,269	55,138	80,035	(24,897)
Emergency operations center	245,767	161,526	548,087	(386,561)
Other agencies - public safety	3,583	960	2,500	(1,540)
Health and sanitation:				
Other agencies - health and sanitation	169,435	179,000	187,300	(8,300)
Transfers out	860,000	590,402	60,000	530,402
Total expenditures	3,707,517	3,457,599	\$ 3,724,033	\$ (266,434)
Receipts under expenditures	(205,999)	(389,574)		
Unencumbered cash, beginning of year	1,156,281	952,237		
Adjustment to unencumbered cash for prior year canceled encumbrances	1,955	-		
Unencumbered cash, end of year	\$ 952,237	\$ 562,663		

The accompanying Notes to Financial Statements are an integral part of this statement.

Special Revenue Funds

Fund Descriptions

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

The Special Revenue Funds used by Kiowa County, Kansas, are:

Appraiser:

This fund is used to account for monies to maintain and operate an office to carry out the appraisal of all taxable property to determine the tax base upon which taxes may be levied within the County.

Bio-Terrorism Grant:

This fund is used to account for grant funds received for the prevention of bio-terrorism.

Building:

This fund is used to account for monies reserved for future capital improvement requirements as deemed necessary by the County Commissioners.

County Health:

This fund is used to account for monies to pay for health services provided by the County.

Equipment Reserve:

This fund is used to account for monies set aside to finance the acquisition of equipment for the County.

Emergency 911 Phone Service:

This fund is used to account for proceeds received from a tariff imposed by the County which is collected by the telephone service supplier from all telephone service users. The funds are used to pay for the establishment of a service to provide emergency phone support for police, fire, medical and other emergency situations; and to pay for certain ongoing charges, improvements, equipment and physical enhancements.

Ice Storm Disaster:

This fund is used to account for the activities of the County's recovery effort resulting from the ice storm disaster of December, 2007.

Landfill Closure:

This fund is used to account for the activities of the County's landfill monitoring programs and future planning for long-term solid waste management programs.

Long Term Recovery:

This fund is used to account for the activities of the County's long term recovery effort and related capital projects resulting from the tornado disaster of May 4, 2007.

Neighborhood Facilities Donations:

This fund is used to account for monies received for the benefit of neighborhood facilities in Kiowa County.

Noxious Weed:

This fund is used to account for monies used in the control of the spread of and eradication of noxious weeds in the County.

Special Revenue Funds

Pandemic Flu Grant:

This fund is used to account for grant funds received for the prevention of pandemic flu.

Prosecuting Attorneys' Training:

This fund is used to account for fees received by the Clerk of the Court from certain cases. The funds are to be used exclusively for the training of personnel in the County Attorney's office and costs related thereto.

Prosecutors' Trust:

This fund is used to account for taxes imposed on controlled substances and proceeds from the sale of property seized and forfeited due to certain criminal activities. The funds are to be used solely for criminal prosecution purposes and costs related thereto.

Register of Deeds' Technology:

This fund is used to account for monies used to acquire equipment and technological services for the storing, recording, archiving, retrieving, maintaining and handling of data recorded or stored in the office of the Register of Deeds.

Road and Bridge:

This fund is used to account for monies used in the operation of the Road and Bridge Department, which is responsible for the building and maintenance of roads and bridges in Kiowa County.

Rural Fire District:

This fund is used to account for monies needed to carry out the operations of the Rural Fire Department.

Special Bridge:

This fund is used to account for monies to finance specified improvement projects involving the construction or reconstruction of bridges in the County.

Special Hospital – Phillips' Bequest:

This fund is used to account for revenues received from assets bequeathed to the Kiowa County Commissioners through the Phillips' Estate. The revenues received are to be used for the benefit of the Kiowa County Memorial Hospital.

Special Law Enforcement Trust:

This fund is used to account for taxes imposed on controlled substances and proceeds from the sale of property seized and forfeited due to certain criminal activities. The funds are to be used solely for law enforcement and criminal prosecution purposes.

Special Road and Bridge:

This fund is used to account for monies to finance specified improvement projects involving the construction or reconstruction of highways, bridges, roads, streets and related incidental facilities.

Special Road Machinery and Equipment:

This fund is used to account for monies from the Road and Bridge fund to be used for purchasing construction equipment for the Road and Bridge Department or building bridges within Kiowa County.

Special Revenue Funds

Motor Vehicle Operating:

This fund is used to account for funds received from the registration fees collected for the State of Kansas motor vehicle department. The funds are appropriated for the use of the County Treasurer in paying for necessary personnel and expenses incidental to the administration of duties in accordance with the provisions of law. The funds are also used for the extra compensation to the County Treasurer for the services performed in administering the motor vehicle department.

Women, Infants and Children Grant:

This fund is used to account for grant monies for the Women, Infants and Children program in the County.

Worthless Check:

This fund is used to account for fees collected on worthless checks which are to help fund the normal operating expenses of the County Attorney's office.

Note: The County budgets all special revenue funds except for Bio-Terrorism; Ice Storm Disaster; Long Term Recovery; Neighborhood Facilities Donations; Pandemic Flu Grant; Prosecuting Attorneys' Training; Prosecutors' Trust; Register of Deeds' Technology; Special Hospital - Phillips' Bequest; Special Law Enforcement Trust; Motor Vehicle Operating; Women, Infants and Children Grant; and Worthless Check funds.

KIOWA COUNTY, KANSAS
 Appraiser Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Cash receipts:				
Taxes:				
Ad valorem property	\$ 221,119	\$ 159,241	\$ 160,023	\$ (782)
Motor vehicle	2,686	6,682	9,564	(2,882)
Delinquent property	1,275	-	-	-
Other	7,396	1,992	-	1,992
Total cash receipts	232,476	167,915	\$ 169,587	\$ (1,672)
Expenditures:				
General government:				
Personnel services	65,903	64,063	\$ 97,850	\$ (33,787)
Contractual services	58,155	102,570	18,000	84,570
Commodities	16,300	11,660	18,700	(7,040)
Capital outlay	-	-	9,000	(9,000)
GIS Personnel Services	-	-	25,000	(25,000)
GIS Other	-	-	25,000	(25,000)
Total expenditures	140,358	178,293	\$ 193,550	\$ (15,257)
Receipts over (under) expenditures	92,118	(10,378)		
Unencumbered cash, beginning of year	28,292	175,410		
Adjustment to unencumbered cash for prior year canceled encumbrances	55,000	-		
Unencumbered cash, end of year	\$ 175,410	\$ 165,032		

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
 Bio-Terrorism Grant Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Actual
Cash receipts:		
Intergovernmental revenue:		
State and federal aid	\$ 11,353	\$ 5,444
Total cash receipts	<u>11,353</u>	<u>5,444</u>
Expenditures:		
Public safety:		
Commodities	5,132	12,295
Total expenditures	<u>5,132</u>	<u>12,295</u>
Receipts over (under) expenditures	6,221	(6,851)
Unencumbered cash, beginning of year	<u>9,446</u>	<u>15,667</u>
Unencumbered cash, end of year	<u>\$ 15,667</u>	<u>\$ 8,816</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
 Building Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash receipts:				
Sale of assets	\$ 22,500	\$ -	\$ -	\$ -
Other	350	-	-	-
Transfers in	600,000	500,000	-	500,000
Total cash receipts	622,850	500,000	\$ -	\$ 500,000
Expenditures:				
General government:				
Capital outlay	20,000	-	\$ 1,550,000	\$ (1,550,000)
Transfers to other funds	-	1,332,770	-	1,332,770
Total expenditures	20,000	1,332,770	\$ 1,550,000	\$ (217,230)
Receipts over (under) expenditures	602,850	(832,770)		
Unencumbered cash, beginning of year	1,650,000	2,252,850		
Unencumbered cash, end of year	\$ 2,252,850	\$ 1,420,080		

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
 County Health Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash receipts:				
Taxes:				
Ad valorem property	\$ 132,778	\$ 127,856	\$ 131,450	\$ (3,594)
Motor vehicle	3,454	4,826	6,025	(1,199)
Delinquent property	1,161	-	-	-
Intergovernmental revenue:				
State and federal aid	29,895	25,627	15,000	10,627
Licenses and fees	22,707	58,573	15,400	43,173
Total cash receipts	189,995	216,882	\$ 167,875	\$ 49,007
Expenditures:				
Health and sanitation:				
Personnel services	81,097	66,865	\$ 82,500	\$ (15,635)
Contractual services	19,223	22,366	47,650	(25,284)
Commodities	24,054	46,368	50,000	(3,632)
Capital outlay	-	-	50,000	(50,000)
Total expenditures	124,374	135,599	\$ 230,150	\$ (94,551)
Receipts over expenditures	65,621	81,283		
Unencumbered cash, beginning of year	73,921	139,542		
Unencumbered cash, end of year	\$ 139,542	\$ 220,825		

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
 Equipment Reserve Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash receipts:				
Transfers in	\$ 200,000	\$ -	\$ -	\$ -
Sale of equipment	9,500	2,961	-	2,961
Total cash receipts	209,500	2,961	\$ -	\$ 2,961
Expenditures:				
General government:				
Capital outlay	67,625	203,438	\$ 739,673	\$ (536,235)
Transfers to other funds	-	221,600	-	221,600
Total expenditures	67,625	425,038	\$ 739,673	\$ (314,635)
Receipts over (under) expenditures	141,875	(422,077)		
Unencumbered cash, beginning of year	609,673	751,548		
Unencumbered cash, end of year	\$ 751,548	\$ 329,471		

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
 Emergency 911 Phone Service Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash receipts:				
Tax receipts	\$ 11,395	\$ 16,132	\$ 20,000	\$ (3,868)
Intergovernmental revenue:				
State and federal aid	91,275	14,566	-	14,566
Total cash receipts	<u>102,670</u>	<u>30,698</u>	<u>\$ 20,000</u>	<u>\$ 10,698</u>
Expenditures:				
Public safety:				
Contractual services	10,704	20,639	\$ 67,225	\$ (46,586)
Capital outlay	97,296	6,108	-	6,108
Total expenditures	<u>108,000</u>	<u>26,747</u>	<u>\$ 67,225</u>	<u>\$ (40,478)</u>
Receipts over (under) expenditures	(5,330)	3,951		
Unencumbered cash, beginning of year	<u>28,225</u>	<u>22,895</u>		
Unencumbered cash, end of year	<u>\$ 22,895</u>	<u>\$ 26,846</u>		

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
Ice Storm Disaster Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2009
(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Actual
Cash receipts:		
Intergovernmental revenue:		
State and federal aid	\$ 19,941	\$ -
Total cash receipts	<u>19,941</u>	<u>-</u>
Expenditures:		
Recovery projects	<u>17,935</u>	<u>-</u>
Total expenditures	<u>17,935</u>	<u>-</u>
Receipts over expenditures	2,006	-
Unencumbered cash, beginning of year	<u>-</u>	<u>2,006</u>
Unencumbered cash, end of year	<u>\$ 2,006</u>	<u>\$ 2,006</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
 Landfill Closure Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash receipts:				
Transfers in	\$ 30,000	\$ 30,000	\$ 30,000	\$ -
Other	12,060	6,241	-	6,241
Total cash receipts	<u>42,060</u>	<u>36,241</u>	<u>\$ 30,000</u>	<u>\$ 6,241</u>
Expenditures:				
Health and sanitation:				
Contractual services	<u>39,985</u>	<u>-</u>	<u>\$ 276,631</u>	<u>\$ (276,631)</u>
Total expenditures	<u>39,985</u>	<u>-</u>	<u>\$ 276,631</u>	<u>\$ (276,631)</u>
Receipts over expenditures	2,075	36,241		
Unencumbered cash, beginning of year	<u>220,631</u>	<u>222,706</u>		
Unencumbered cash, end of year	<u>\$ 222,706</u>	<u>\$ 258,947</u>		

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
 Long Term Recovery Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Actual
Cash receipts:		
Intergovernmental revenue:		
State and federal aid	\$ 365,257	\$ 5,389,492
Insurance proceeds	357,233	46,298
Transfers in	221,296	1,649,772
Other	431,868	98,157
Bond proceeds	-	900,000
Total cash receipts	<u>1,375,654</u>	<u>8,083,719</u>
Expenditures:		
Recovery projects	<u>4,394,239</u>	<u>8,584,556</u>
Total expenditures	<u>4,394,239</u>	<u>8,584,556</u>
Receipts under expenditures	(3,018,585)	(500,837)
Unencumbered cash, beginning of year	<u>4,023,289</u>	<u>1,004,704</u>
Unencumbered cash, end of year	<u>\$ 1,004,704</u>	<u>\$ 503,867</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
 Neighborhood Facilities Donations Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Actual
Cash receipts:		
Other	\$ -	\$ -
Total cash receipts	<u>-</u>	<u>-</u>
Expenditures:		
General government:		
Capital outlay	<u>-</u>	<u>273</u>
Total expenditures	<u>-</u>	<u>273</u>
Receipts over (under) expenditures	-	(273)
Unencumbered cash, beginning of year	<u>273</u>	<u>273</u>
Unencumbered cash, end of year	<u>\$ 273</u>	<u>\$ -</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
 Noxious Weed Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash receipts:				
Taxes:				
Ad valorem property	\$ 136,830	\$ 158,226	\$ 162,651	\$ (4,425)
Motor vehicle	5,454	5,687	6,205	(518)
Delinquent property	1,739	-	-	-
Other	15,072	14,796	25,000	(10,204)
Total cash receipts	159,095	178,709	\$ 193,856	\$ (15,147)
Expenditures:				
Public works:				
Personnel services	46,524	47,081	\$ 54,976	\$ (7,895)
Contractual services	6,808	18,858	6,000	12,858
Commodities	69,512	91,749	126,720	(34,971)
Capital outlay	3,325	20,150	-	20,150
Transfers to other funds	35,000	-	-	-
Total expenditures	161,169	177,838	\$ 187,696	\$ (9,858)
Receipts over (under) expenditures	(2,074)	871		
Unencumbered cash, beginning of year	5,527	3,453		
Unencumbered cash, end of year	\$ 3,453	\$ 4,324		

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
 Pandemic Flu Grant Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Actual
Cash receipts:		
Intergovernmental revenue:		
State and federal aid	\$ 5,030	\$ -
Total cash receipts	<u>5,030</u>	<u>-</u>
Expenditures:		
Health and sanitation:		
Commodities	<u>7,709</u>	<u>-</u>
Total expenditures	<u>7,709</u>	<u>-</u>
Receipts over (under) expenditures	(2,679)	-
Unencumbered cash, beginning of year	<u>2,679</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
 Prosecuting Attorneys' Training Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Actual
Cash receipts:		
Licenses and fees	\$ 1,520	\$ 2,024
Total cash receipts	<u>1,520</u>	<u>2,024</u>
Expenditures:		
Public safety:		
Contractual services	<u>1,677</u>	<u>1,472</u>
Total expenditures	<u>1,677</u>	<u>1,472</u>
Receipts over (under) expenditures	(157)	552
Unencumbered cash, beginning of year	<u>469</u>	<u>312</u>
Unencumbered cash, end of year	<u>\$ 312</u>	<u>\$ 864</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
 Prosecutors' Trust Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Actual
Cash receipts:		
Other	\$ 2,250	\$ -
Total cash receipts	<u>2,250</u>	<u>-</u>
Expenditures:		
Public safety:		
Commodities	6,683	9,332
Total expenditures	<u>6,683</u>	<u>9,332</u>
Receipts under expenditures	(4,433)	(9,332)
Unencumbered cash, beginning of year	<u>39,811</u>	<u>35,378</u>
Unencumbered cash, end of year	<u>\$ 35,378</u>	<u>\$ 26,046</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
 Register of Deeds' Technology Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Actual
Cash receipts:		
Licenses and fees	\$ 11,642	\$ 7,700
Total cash receipts	<u>11,642</u>	<u>7,700</u>
Expenditures:		
General government:		
Capital outlay	<u>9,570</u>	<u>8,391</u>
Total expenditures	<u>9,570</u>	<u>8,391</u>
Receipts over (under) expenditures	2,072	(691)
Unencumbered cash, beginning of year	<u>36,861</u>	<u>38,933</u>
Unencumbered cash, end of year	<u>\$ 38,933</u>	<u>\$ 38,242</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
 Road and Bridge Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Cash receipts:				
Taxes:				
Ad valorem property	\$ 784,636	\$ 846,501	\$ 861,581	\$ (15,080)
Motor vehicle	33,459	32,826	35,224	(2,398)
Delinquent property	10,416	-	-	-
Intergovernmental revenues	280,713	271,366	292,788	(21,422)
Other	3,465	16,369	-	16,369
Total cash receipts	1,112,689	1,167,062	\$ 1,189,593	\$ (22,531)
Expenditures:				
Public works:				
Personnel services	471,051	485,742	\$ 595,940	\$ (110,198)
Contractual services	103,311	157,110	139,500	17,610
Commodities	350,774	356,737	396,000	(39,263)
Capital outlay	76,351	134,587	73,700	60,887
Transfers to other funds	186,296	65,000	-	65,000
Total expenditures	1,187,783	1,199,176	\$ 1,205,140	\$ (5,964)
Receipts under expenditures	(75,094)	(32,114)		
Unencumbered cash, beginning of year	135,198	80,384		
Adjustment to unencumbered cash for prior year canceled encumbrances	20,280	-		
Unencumbered cash, end of year	\$ 80,384	\$ 48,270		

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
Rural Fire District Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009
(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash receipts:				
Taxes:				
Ad valorem property	\$ 83,633	\$ 88,133	\$ 89,328	\$ (1,195)
Motor vehicle	2,828	2,368	2,138	230
Delinquent property	717	-	-	-
Other	1	-	-	-
Total cash receipts	<u>87,179</u>	<u>90,501</u>	<u>\$ 91,466</u>	<u>\$ (965)</u>
Expenditures:				
Public safety:				
Personnel services	31,574	29,614	\$ 36,415	\$ (6,801)
Contractual services	20,500	20,159	20,000	159
Commodities	23,081	10,598	27,000	(16,402)
Capital outlay	<u>1,726</u>	<u>53,044</u>	<u>30,000</u>	<u>23,044</u>
Total expenditures	<u>76,881</u>	<u>113,415</u>	<u>\$ 113,415</u>	<u>\$ -</u>
Receipts over (under) expenditures	10,298	(22,914)		
Unencumbered cash, beginning of year	33,424	82,733		
Adjustment to unencumbered cash for prior year canceled encumbrances	<u>39,011</u>	<u>-</u>		
Unencumbered cash, end of year	<u>\$ 82,733</u>	<u>\$ 59,819</u>		

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
Special Bridge Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009
(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash receipts:				
Taxes:				
Ad valorem property	\$ 80,019	\$ 82,831	\$ 84,237	\$ (1,406)
Motor vehicle	3,593	3,379	3,596	(217)
Delinquent property	1,041	-	-	-
Total cash receipts	<u>84,653</u>	<u>86,210</u>	<u>\$ 87,833</u>	<u>\$ (1,623)</u>
Expenditures:				
Public works:				
Contractual	43,759	9,133	\$ 150,000	\$ (140,867)
Commodities	12,283	20,459	-	20,459
Capital outlay	-	-	355,890	(355,890)
Total expenditures	<u>56,042</u>	<u>29,592</u>	<u>\$ 505,890</u>	<u>\$ (476,298)</u>
Receipts over expenditures	28,611	56,618		
Unencumbered cash, beginning of year	<u>388,402</u>	<u>417,013</u>		
Unencumbered cash, end of year	<u>\$ 417,013</u>	<u>\$ 473,631</u>		

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
 Special Hospital - Phillips' Bequest Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Actual
Cash receipts:		
Use of money and property:		
Interest on investments	\$ 14,992	\$ 2,878
Total cash receipts	<u>14,992</u>	<u>2,878</u>
Expenditures:		
Health and sanitation:		
Capital outlay	<u>51,000</u>	-
Total expenditures	<u>51,000</u>	-
Receipts over (under) expenditures	(36,008)	2,878
Unencumbered cash, beginning of year	<u>488,200</u>	<u>452,192</u>
Unencumbered cash, end of year	<u>\$ 452,192</u>	<u>\$ 455,070</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
Special Law Enforcement Trust Fund
Statement of Cash Receipts and Expenditures
For the Year Ended December 31, 2009
(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Actual
Cash receipts:		
Other	\$ 23,493	\$ 1,931
Total cash receipts	<u>23,493</u>	<u>1,931</u>
Expenditures:		
Public safety:		
Commodities	17,921	31,185
Total expenditures	<u>17,921</u>	<u>31,185</u>
Receipts over (under) expenditures	5,572	(29,254)
Unencumbered cash, beginning of year	<u>35,049</u>	<u>40,621</u>
Unencumbered cash, end of year	<u>\$ 40,621</u>	<u>\$ 11,367</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
Special Road and Bridge Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009
(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash receipts:				
Taxes:				
Ad valorem property	\$ 160,039	\$ 165,662	\$ 168,476	\$ (2,814)
Motor vehicle	7,185	6,758	7,190	(432)
Delinquent property	2,081	-	-	-
Other	12,835	4,883	-	4,883
Total cash receipts	<u>182,140</u>	<u>177,303</u>	<u>\$ 175,666</u>	<u>\$ 1,637</u>
Expenditures:				
Public works:				
Contractual	41	-	\$ -	\$ -
Commodities	158,725	107,927	150,000	(42,073)
Capital outlay	48,010	77,782	581,085	(503,303)
Total expenditures	<u>206,776</u>	<u>185,709</u>	<u>\$ 731,085</u>	<u>\$ (545,376)</u>
Receipts under expenditures	(24,636)	(8,406)		
Unencumbered cash, beginning of year	<u>496,108</u>	<u>471,472</u>		
Unencumbered cash, end of year	<u>\$ 471,472</u>	<u>\$ 463,066</u>		

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
 Special Road Machinery and Equipment Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash receipts:				
Transfers in	\$ -	\$ -	\$ -	\$ -
Total cash receipts	-	-	\$ -	\$ -
Expenditures:				
Public works:				
Capital outlay	-	35,000	\$ 166,500	\$ (131,500)
Total expenditures	-	35,000	\$ 166,500	\$ (131,500)
Receipts over (under) expenditures	-	(35,000)		
Unencumbered cash, beginning of year	166,500	166,500		
Unencumbered cash, end of year	\$ 166,500	\$ 131,500		

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
 Motor Vehicle Operating Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Actual
Cash receipts:		
Licenses and fees	\$ 26,839	\$ 26,401
Total cash receipts	<u>26,839</u>	<u>26,401</u>
Expenditures:		
General government:		
Personnel	4,687	6,363
Contractual	380	446
Commodities	872	1,924
Transfers out	<u>25,050</u>	<u>20,900</u>
Total expenditures	<u>30,989</u>	<u>29,633</u>
Receipts under expenditures	(4,150)	(3,232)
Unencumbered cash, beginning of year	<u>25,050</u>	<u>20,900</u>
Unencumbered cash, end of year	<u>\$ 20,900</u>	<u>\$ 17,668</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
 Women, Infants and Children Grant Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Actual
Cash receipts:		
Intergovernmental revenue:		
State and federal aid	\$ 145,578	\$ 166,242
Total cash receipts	<u>145,578</u>	<u>166,242</u>
Expenditures:		
Health and sanitation:		
Commodities	<u>148,610</u>	<u>202,923</u>
Total expenditures	<u>148,610</u>	<u>202,923</u>
Receipts under expenditures	(3,032)	(36,681)
Unencumbered cash, beginning of year	<u>57,671</u>	<u>54,639</u>
Unencumbered cash, end of year	<u>\$ 54,639</u>	<u>\$ 17,958</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
 Worthless Check Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Actual
Cash receipts:		
Licenses and fees	\$ 210	\$ 200
Total cash receipts	<u>210</u>	<u>200</u>
Expenditures:		
Public safety:		
Commodities	<u>425</u>	<u>-</u>
Total expenditures	<u>425</u>	<u>-</u>
Receipts over (under) expenditures	(215)	200
Unencumbered cash, beginning of year	<u>240</u>	<u>25</u>
Unencumbered cash, end of year	<u>\$ 25</u>	<u>\$ 225</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

Debt Service Fund

Fund Description

The Debt Service Fund is used to account for the accumulation of resources to be used for the payment of principal, interest and related costs of the general obligation bonds and certain other long-term obligations of the County.

KIOWA COUNTY, KANSAS
 Bond and Interest Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash receipts:				
Taxes:				
Ad valorem property	\$ -	\$ 124,975	\$ 128,499	\$ (3,524)
Total cash receipts	-	124,975	\$ 128,499	\$ (3,524)
Expenditures:				
General government:				
Principal	\$ -	\$ 6,624	\$ 26,380	\$ (19,756)
Interest and fees	-	13,875	56,000	(42,125)
Cash basis reserve	-	-	40,000	(40,000)
Total expenditures	-	20,499	\$ 122,380	\$ (101,881)
Receipts over expenditures	-	104,476		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	\$ -	\$ 104,476		

The accompanying Notes to Financial Statements are an integral part of this statement.

Proprietary Funds

Enterprise Funds

Fund Description

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

The Enterprise Funds used by Kiowa County, Kansas, are:

Solid Waste:

This fund is used to account for the activities of the County's landfill operations.

KIOWA COUNTY, KANSAS
Solid Waste Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009
(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash receipts:				
User fees	\$ 176,949	\$ 113,784	\$ 126,000	\$ (12,216)
Transfers in	30,000	30,000	30,000	-
Total cash receipts	<u>206,949</u>	<u>143,784</u>	<u>\$ 156,000</u>	<u>\$ (12,216)</u>
Expenditures:				
Health and sanitation:				
Personnel services	88,334	103,402	\$ 86,653	\$ 16,749
Contractual services	40,390	66,433	65,000	1,433
Commodities	14,144	31,474	40,000	(8,526)
Capital outlay	8,060	14,299	24,000	(9,701)
Total expenditures	<u>150,928</u>	<u>215,608</u>	<u>\$ 215,653</u>	<u>\$ (45)</u>
Receipts over (under) expenditures	56,021	(71,824)		
Unencumbered cash, beginning of year	<u>284,852</u>	<u>340,873</u>		
Unencumbered cash, end of year	<u>\$ 340,873</u>	<u>\$ 269,049</u>		

The accompanying Notes to Financial Statements are an integral part of this statement.

Proprietary Funds

Internal Service Funds

Fund Descriptions

The Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County or to other governmental units on a cost-reimbursement basis.

The Internal Service Fund used by Kiowa County, Kansas, is:

Health Insurance:

This fund is used to account for monies for the self-insurance of employee health costs which may occur.

Note: The County does not budget for this fund.

KIOWA COUNTY, KANSAS
 Health Insurance Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Actual
Cash receipts:		
Premiums	\$ 701,597	\$ 524,399
Use of money and property	1,623	3,498
Total cash receipts	<u>703,220</u>	<u>527,897</u>
Expenditures:		
General government:		
Claims paid	<u>561,273</u>	<u>517,548</u>
Total expenditures	<u>561,273</u>	<u>517,548</u>
Receipts over expenditures	141,947	10,349
Unencumbered cash, beginning of year	<u>61,223</u>	<u>203,170</u>
Unencumbered cash, end of year	<u>\$ 203,170</u>	<u>\$ 213,519</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

Component Units

Fund Description

Component units are legally separate from the County. The governing bodies of all of following component units are appointed by the County Commission. Each component unit has a December 31st year end. Neither component unit is subject to a legally adopted annual operating budget; however, internal operating budget information is presented for the Kiowa County Extension Council.

The component units included by Kiowa County, Kansas, are:

Kiowa County Extension Council:

The Council provides services in such areas as agriculture, home economics and 4-H clubs to all persons in the County. The County levies taxes for the support of the Council.

Kiowa County Public Library:

The Library Board operates the County's libraries and provides services for the residents of Kiowa County. The Board of Directors is responsible for the management and fiscal accountability of the Library. The County Commissioners approve the Library's budget and levy taxes for Library operations. The Library buildings are titled to the County. Bond issuances for the Library's benefit must be approved by the County.

KIOWA COUNTY, KANSAS
 Kiowa County Extension Council
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Actual	Internal Budget*	Variance Over (Under)
Cash receipts:				
Intergovernmental revenue	\$ 137,584	\$ 147,052	\$ 146,800	\$ 252
Use of money and property	223	445	-	445
Other	6,778	5,870	14,000	(8,130)
	<u>144,585</u>	<u>153,367</u>	<u>\$ 160,800</u>	<u>\$ (7,433)</u>
Total cash receipts				
Expenditures:				
Culture and recreation:				
Personnel services	116,500	130,243	\$ 137,500	\$ (7,257)
Contractual services	4,721	3,424	10,200	(6,776)
Commodities	11,238	10,546	16,500	(5,954)
Capital outlay	11,259	9,402	13,000	(3,598)
	<u>143,718</u>	<u>153,615</u>	<u>\$ 177,200</u>	<u>\$ (23,585)</u>
Total expenditures				
Receipts over (under) expenditures	867	(248)		
Unencumbered cash, beginning of year	<u>55,591</u>	<u>56,458</u>		
Unencumbered cash, end of year	<u>\$ 56,458</u>	<u>\$ 56,210</u>		

* Note: This is an internal operating budget only. The Extension Council is not subject to a legal budget.

KIOWA COUNTY, KANSAS
 Kiowa County Public Library
 Statement of Cash Receipts and Expenditures
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Actual
Cash receipts:		
Intergovernmental revenues	\$ 73,366	\$ 72,197
Licenses and fees	588	592
Use of money and property	1,927	1,836
Other	<u>22,025</u>	<u>4,024</u>
Total cash receipts	<u>97,906</u>	<u>78,649</u>
Expenditures:		
Culture and recreation:		
Personnel services	37,996	38,603
Contractual services	4,848	5,214
Commodities	6,308	5,038
Capital outlay	<u>4,576</u>	<u>-</u>
Total expenditures	<u>53,728</u>	<u>48,855</u>
Receipts over expenditures	44,178	29,794
Unencumbered cash, beginning of year	<u>147,247</u>	<u>191,425</u>
Unencumbered cash, end of year	<u>\$ 191,425</u>	<u>\$ 221,219</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

Agency Funds

Fund Description

The Agency Funds are used to account for assets held by the County as an agent for other funds.

The Agency Funds used by Kiowa County, Kansas, are:

District Court Account:

This fund is used to account for the collections of fines, fees and related court costs along with the collection and payment of child support and other payments as ordered by the Court.

Law Library Account:

This fund is used to account for funds used in the operation of the County's law library.

County Health Aid Account:

This fund is used to account for gifts received from donors whom have specifically restricted the use of the funds to be allocated at the discretion of the County Health Administrators.

County Health Kids Count Account:

This fund is used to account for funds received from participating agencies to provide services to families in crisis and youth at risk.

Register of Deeds Account:

This fund is used to account for mortgage fees, recording fees and miscellaneous fees for copies and faxes.

Sheriff Account:

This fund is used to account for sheriff and report fees, VIN fees, warrants, and reimbursements for use of the County jail by other law enforcement entities.

Sheriff Special Investigations Account:

This fund is used to account for special investigations' transactions by the Sheriff's department.

Sheriff Civil Process Account:

This fund is used to account for civil processing transactions by the Sheriff's department.

Sheriff Inmate Account:

This fund is used to account for monies held in trust for inmates. It is also used to account for the commissary transactions prior to forwarding profits to the County's general fund.

County Treasurer – Bail Bonds Account:

This fund is used to account for bail bonds for monies held as bail bonds by the Sheriff's department.

County Treasurer – Driver's License Account:

This fund is used to account for processing of driver's licenses by the County Treasurer's office.

County Treasurer – Disaster Relief Donations Account:

This fund is used to account for the collections of donations received for benefit of employees and the County as a result of the disaster experienced May 4, 2007.

County Treasurer – Heritage Trust Fund Account:

This fund is used to account for fees allocated to the Heritage Trust Fund from mortgage registration fees.

Agency Funds

County Treasurer – Payroll Clearing Accounts:

This fund is used to account for all withholdings from County employees. These withholdings are remitted to the appropriate agencies.

County Treasurer – Stray Animal Account:

This fund is used to account for the net proceeds from the sale of stray animals within the County.

County Treasurer - Wildlife and Parks Account:

This fund is used to account for the user fees collected from individuals to permit access to State parks and recreational areas, and to permit the harvesting of fish and game in the State. The funds included are: annual camping permits, archery permits, fish and game licenses, waterfowl stamps, turkey licenses, boat permits, rattlesnake permits and trout permits. The fees collected are remitted to the State of Kansas.

County Treasurer - Motor Vehicle Fees and Sales Tax Collections Account:

This fund is used to account for fees assessed to register certain motor vehicles with the State of Kansas; reports and remittances are made to the State daily. This fund is also used to account for taxes collected on the sale of motor vehicles and trailers.

County Treasurer - Tax Collections Accounts:

This fund is used to account for collections of County ad valorem taxes. The funds included are: current tax, protested tax, advanced tax, motor vehicle registration tax, recreational vehicle tax, and rental and excise tax.

County Treasurer - Tax Distributions Accounts:

This fund is used to account for distribution of County ad valorem taxes collected to the various taxing entities in the County. Distributions are made in January, March, May, July, September and October. Delinquent personal property taxes are distributed once a year, generally in March.

KIOWA COUNTY, KANSAS
Trust and Agency Funds
Statement of Cash Receipts and Cash Disbursements
For the Year Ended December 31, 2009

	Balance 01/01/09	Cash Receipts	Cash Disburse- ments	Balance 12/31/09
Trust and Agency Accounts:				
District Court Account	\$ 8,022	\$ 463,008	\$ 348,625	\$ 122,405
Law Library Account	45,823	11,013	5,214	51,622
County Health Aid Account	25,332	1,280	3,234	23,378
County Health Kids Count Account	18,222	2,039	1,299	18,962
Register of Deeds Account	497	906	783	620
Sheriff Account	3,299	1,843	5,142	-
Sheriff Special Investigations Account	-	1,430	-	1,430
Sheriff Civil Process Account	1,073	985	1,953	105
Sheriff Inmate Account	13,848	33	12	13,869
County Treasurer:				
Bail Bonds Account	-	650	650	-
Disaster Relief Donations Account	4,791	-	3,187	1,604
Driver's License Account	33	7,857	7,728	162
Heritage Trust Fund Account	194	1,882	1,672	404
Payroll Clearing Accounts	100,379	1,888,689	1,989,193	(125)
Stray Animal Account	-	49	49	-
Wildlife and Parks Accounts	-	2,156	2,092	64
Motor Vehicle Fees and Sales Tax Collections Accounts	7,580	394,428	398,119	3,889
Tax Collections Accounts	6,475,253	8,554,581	9,683,084	5,346,750
Tax Distributions Accounts	-	5,182,566	5,182,566	-
Total	\$ 6,704,346	\$ 16,515,395	\$ 17,634,602	\$ 5,585,139

The accompanying Notes to Financial Statements are an integral part of this statement.

KIOWA COUNTY, KANSAS
Notes to Financial Statements
For the Year Ended December 31, 2009

1. Summary of significant accounting policies

Kiowa County, Kansas (the County) was established in 1886 and is an organized county having the powers, duties and privileges granted counties by K.S.A. 19-101.

A. Financial reporting entity

The County is a municipal corporation governed by an elected three-member commission. These financial statements present Kiowa County (the primary government) and its selected component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

The following organizations, functions or activities are included in the financial statements of the County's statutory basis financial statements. They are reported in a separate column to emphasize that they are legally separate from the County. The governing bodies of all of these component units are appointed by the County Commission. Each discretely presented component unit has a December 31st year end.

The Kiowa County Extension Council provides services in such areas as agriculture, home economics and 4-H clubs to all persons in the County. The Council was created under K.S.A. 2-601 and is governed by an elected executive board. The County levies taxes for the support of the Council. The Council is presented as a governmental fund type. No separate financial statements have been issued for the Kiowa County Extension Council.

The Kiowa County Public Library operates the County's library and provides services for the residents of Kiowa County. It was created under K.S.A. 12-1218 and has its own Board of Directors, who operates independently from the County. The Board of Directors is responsible for the management and fiscal accountability of the Library. The Board is appointed by the County Commission, who also has the authority to remove appointed Board members. The County Commissioners approve the Library's budget and levy taxes for Library operations. The Library building is titled to the County. Bond issuances for the Library's benefit must be approved by the County. The Library is presented as a governmental fund type. No separate financial statements have been issued for the Kiowa County Public Library.

The respective administrative offices of these component units are:

Kiowa County Extension Council
211 E Florida
Greensburg, KS 67054

Kiowa County Public Library
Haviland, KS 67059

Additional component units which are not included in the County's statutory basis financial statements are as follows:

The Kiowa County Memorial Hospital Board of Trustees' Fund operates the County's hospital and provides services for the residents of Kiowa County. It was created under K.S.A. 19-4601 and has its own Board of Trustees, who operates independently from the County. The Board of Trustees is responsible for the management and fiscal accountability of the Hospital. The Board is an elected board. The County Commissioners levy taxes for Hospital operations. The Hospital building is titled to the County. Bond issuances for the Hospital's benefit must be approved by the County. The Hospital is a proprietary fund type. Separate financial statements have been issued for the Kiowa County Memorial Hospital Board of Trustees' Fund and can be obtained at their offices on East Kansas, Greensburg, KS 67054.

KIOWA COUNTY, KANSAS
Notes to Financial Statements
For the Year Ended December 31, 2009

1. Summary of significant accounting policies (continued)

A. Financial reporting entity (continued)

Kiowa County Housing Authority, Inc. provides housing for the residents of Kiowa County. It was created under K.S.A. 17-2340 and has its own Board of Directors, who operates independently from the County. The Board of Directors is responsible for the management and fiscal accountability of the Authority. The Board is appointed by the County Commission, who also has the authority to remove appointed Board members. The County Commissioners approve any debt issued by the Board. The Authority is a governmental fund type. Separate financial statements have been issued for the Kiowa County Housing Authority, Inc. and can be obtained at their offices at 408 South Main Street, Greensburg, KS 67054.

The Kiowa County Commons Media Center provides multi-media and educational programming, current news and access to Kiowa County residents, organizations and businesses using the latest technology. It was created under Resolution 2009-10 and has its own Board of Directors, who operates independently from the County. The Board of Directors is responsible for the management and fiscal accountability of the Media Center. The Board is appointed by the County Commission, who also has the authority to remove appointed Board members. The County Commissioners approve any debt issued by the Board. The Media Center is a governmental fund type. No separate financial statements have been issued for the Kiowa County Commons Media Center; information on their organization and Board members can be obtained at the Kiowa County Clerk's office at 211 East Florida, Greensburg, KS 67054.

The following organizations are jointly governed organizations in which the County participates and are not included in the financial statements of the County's statutory basis financial statement:

Cimarron Basin Community Corrections is a jointly governed organization between ten counties in southwest Kansas created under an interlocal agreement. Cimarron Basin Community Corrections is governed by a board appointed by the participating parties. Cimarron Basin Community Corrections was established to account for monies received as grants from federal and state sources to operate a program of the Kansas Department of Corrections which assists in managing the population in the State's prisons. The primary source of funding for Cimarron Basin Community Corrections is from grants with additional support from the participating parties. Kiowa County contributed \$-0- to the operations of Cimarron Basin Community Corrections during the year ended December 31, 2009. Kiowa County has no equity interest nor does the County materially contribute to the continued existence of Cimarron Basin Community Corrections. Cimarron Basin Community Corrections has a December 31st year end.

Southwest Kansas Regional Juvenile Detention Center is a jointly governed organization between eighteen counties in southwest Kansas created under an interlocal agreement. Southwest Kansas Regional Juvenile Detention Center is governed by a board appointed by the participating parties. Southwest Kansas Regional Juvenile Detention Center was established to operate a juvenile correctional facility located in Garden City, Kansas. The primary source of funding for Southwest Kansas Regional Juvenile Detention Center is from the participating parties with additional support from grants. Kiowa County contributed \$2,184 to the operations of Southwest Kansas Regional Juvenile Detention Center during the year ended December 31, 2009. Kiowa County has no equity interest nor does the County materially contribute to the continued existence of Southwest Kansas Regional Juvenile Detention Center. Southwest Kansas Regional Juvenile Detention Center has a December 31st year end.

KIOWA COUNTY, KANSAS
Notes to Financial Statements
For the Year Ended December 31, 2009

1. Summary of significant accounting policies (continued)

B. Measurement focus, basis of accounting and basis of presentation

These financial statements are presented on a 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 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 is recorded in the fund from which the transfer is made.

C. Waiver of financial reporting requirements

The County's Board of Commissioners has determined by resolution that financial statements prepared in conformity with accounting principles generally accepted in the United States of America are not relevant to the requirements of the cash basis and budget laws of the State of Kansas and are of no significant value to the Board, the County or the members of the general public of the County. The County approved the resolution which served as notice of the Board's election to waive the requirements for reporting of its financial data in conformity with accounting principles generally accepted in the United States of America, as provided and authorized by K.S.A. 75-1120a.

D. 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, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories and prepaid expense; liabilities such as deferred revenue and matured principal and interest payable; and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America. 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, revenue bonds, capital leases, temporary notes and compensated absences are not presented in the financial statements.

E. Fund accounting

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

KIOWA COUNTY, KANSAS
Notes to Financial Statements
For the Year Ended December 31, 2009

1. Summary of significant accounting policies (continued)

E. Fund accounting (continued)

The following types of funds comprise the financial activities of the County:

Governmental funds

General Fund - the General Fund is the County's primary operating fund. It accounts for all financial transactions of the general government, except those required to be accounted for in another fund.

Special Revenue Funds - the Special Revenue Funds account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects).

Debt Service Fund - the Debt Service Fund accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

Proprietary funds

Enterprise Funds – the Enterprise Funds account for those operations that are financed and operated in a manner similar to private business or where the County has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Internal Service Funds – the Internal Service Funds account for the financing on a cost-reimbursement basis of goods and services provided by one department or agency to other departments or outside agencies.

Fiduciary funds

Fiduciary funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. Fiduciary funds include the following fund types:

Agency Funds - the Agency Funds are custodial in nature and do not present results of operation or have a measurement focus. Agency Funds are accounted for using the modified accrual basis of accounting. These funds are used to account for assets that the County holds for others in an agency capacity.

F. 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 funds 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:

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

KIOWA COUNTY, KANSAS
Notes to Financial Statements
For the Year Ended December 31, 2009

1. Summary of significant accounting policies (continued)

F. Budgetary information (continued)

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 budget amendments for the year ended December 31, 2009.

The legal level of budgetary control is the fund level. 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 adopted budget of expenditures of individual funds. The governing body allows management to transfer budgeted amounts between line items within an individual fund without prior approval. 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 County for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budget expenditure authority lapses at year end.

A legal operating budget is not required for capital projects funds, internal service funds, fiduciary funds and the following special revenue funds:

- Bio-Terrorism Grant
- Ice Storm Disaster
- Long Term Recovery
- Neighborhood Facilities Donations
- Pandemic Flu Grant
- Prosecuting Attorneys' Training
- Prosecutors' Trust
- Register of Deeds' Technology
- Special Hospital – Phillips' Bequest
- Special Law Enforcement Trust
- Motor Vehicle Operating
- Women, Infants and Children Grant
- Worthless Check

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

KIOWA COUNTY, KANSAS
Notes to Financial Statements
For the Year Ended December 31, 2009

1. Summary of significant accounting policies (continued)

G. Property taxes and special assessments

The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the counties. The County Appraiser annually determines assessed valuations based on real property transactions as recorded by the Register of Deeds and personal property holdings reported by taxpayers. The County Clerk spreads the annual assessment on the tax rolls and the County Treasurer collects the taxes for all taxing entities with the County.

Taxes are assessed on a calendar year basis, are levied and become a lien on the property on November 1st of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20th during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing the taxes collected in the year levied prior to January 1st of the ensuing year. One-half of the property taxes are due December 20th and distributed by January 20th to finance a portion of the current year's budget. The second half is due May 10th and distributed by June 5th.

Kansas statutes require projects financed in part by special assessments to be financed through the issuance of general obligation bonds which are secured by the full faith and credit of the County. Special assessments received prior to or after the issuance of general obligation bonds are recorded as revenue in the appropriate project fund. Further, state statutes require levying additional general ad valorem property taxes in the Debt Service Fund to finance delinquent special assessments receivable.

Special assessments are levied over a ten or fifteen year period and annual installments are due and payable with annual ad valorem property taxes. The County may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears. At December 31, 2009, the special assessment taxes levied are a lien on the property.

H. Cash and investments

Cash resources of the individual funds are combined to form a pool of cash and investments which is managed by the County. Cash includes amounts in demand deposits, time accounts and certificates of deposit. The County has no other investments. Interest income earned, unless specifically designated, is allocated to the general fund.

I. Post-employment health care 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 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.

KIOWA COUNTY, KANSAS
Notes to Financial Statements
For the Year Ended December 31, 2009

1. Summary of significant accounting policies (continued)

J. Compensated absences

The County's policy regarding vacation leave pay permits employees to accumulate vacation leave days at a maximum rate of 10 days per year with no carryover allowed unless approved by the County Commissioners. Upon resignation or retirement, employees are entitled to payment for all accrued vacation earned provided they give their department head and the County Commission adequate notice. If an employee fails to give adequate notice or is discharged for cause, no accrued vacation earned is paid. The County has estimated the value of accrued vacation pay at December 31, 2009, to be \$35,562.

The County's policy regarding sick leave pay permits employees to accumulate leave days at a rate of 12 days per year up to 720 hours. Based on a twenty year vesting schedule, up to one hundred percent of the accumulated sick leave can be paid upon termination. The County's policy is to recognize the costs of sick leave when actually paid. The County has estimated the value of accrued sick leave pay at December 31, 2009, to be \$39,162.

K. Interfund transactions

Quasi-external transactions (i.e., transactions that would be treated as revenues or expenses if they involved organizations external to the governmental unit, such as internal service fund billings to departments) are accounted for as cash receipts or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

L. Reimbursements

A reimbursement is an expenditure or expense initially made in one fund, but properly attributable to another fund. For example, it is common for the general fund to pay a vendor's bill and have portions of it reimbursed by other funds. In accounting for such reimbursements, the County records an expenditure (or expense) in the reimbursing fund, and a reduction of expenditure (or expense) in the reimbursed fund, following the authoritative guidance of the *Governmental Accounting, Auditing and Financial Reporting*.

M. Memorandum totals

Total columns on the financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. No consolidated financial information is presented nor are all required disclosures present for these amounts.

N. Comparative data

The statutory basis financial statements include certain prior year comparative information in order to provide an understanding of the changes in the cash receipts and expenditures of the funds, but not at the level of detail required for a presentation in conformity with the statutory basis of accounting. Accordingly, such information should be read in conjunction with the County's financial statements for the year ended December 31, 2008, from which the summarized information was derived.

KIOWA COUNTY, KANSAS
Notes to Financial Statements
For the Year Ended December 31, 2009

2. Deposits and investments

A reconciliation of cash and investments as shown in the composition of cash on the summary of cash receipts, expenditures and unencumbered cash on Statement 1 is as follows:

Cash on hand	\$	1,670
Carrying amount of deposits		12,380,218
Total cash		\$ 12,381,888

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. The rating of the County's investments is noted above.

Concentration of credit risk

State statutes place no limit on the amount the County may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The County has no such investments as of December 31, 2009.

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 does not use designated "peak periods".

At December 31, 2009, the County's carrying amount of deposits was \$12,380,218 and the bank balance was \$11,029,208. All of the bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$5,613,101 was covered by federal depository insurance and \$5,416,107 was collateralized with securities held by the pledging financial institutions' agents in the County's name. The County's cash deposits by financial institution and category of coverage at year end are as follows:

KIOWA COUNTY, KANSAS
Notes to Financial Statements
For the Year Ended December 31, 2009

2. Deposits and investments (continued)

	Greensburg State Bank	Haviland State Bank	Centera Bank	Peoples State Bank
FDIC coverage	\$ 4,363,101	\$ 500,000	\$ 500,000	\$ 250,000
Pledged securities at market value	6,006,137	2,028,838	1,696,062	3,494,851
Total coverage	\$ 10,369,238	\$ 2,528,838	\$ 2,196,062	\$ 3,744,851
Funds on deposit	\$ 5,728,071	\$ 2,125,031	\$ 1,654,233	\$ 1,521,873
Funds at risk	\$ -	\$ -	\$ -	\$ -

The carrying amount of deposits for the Kiowa County Extension Council, a discretely presented component unit, was \$56,210 and the bank balance was \$64,410. All of the \$64,410 bank balance was covered by federal depository insurance.

The carrying amount of deposits for the Kiowa County Public Library, a discretely presented component unit, was \$221,219 and the bank balance was \$222,215. All of the \$222,215 bank balance was covered by federal depository insurance.

Credit risk - investments

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

3. Capital projects in process

Capital project authorizations in process during the year ended December 31, 2009, with approved change orders compared to disbursements and accounts payable to date from inceptions are as follows at December 31, 2009:

	Project Authorization	Disbursements and Accounts Payable to Date	Committed
Courthouse project	\$ 4,943,022	\$ 4,856,918	\$ 86,104
Road and Bridge building project	1,707,031	1,704,013	3,018
Recycle building project	758,767	758,767	-
Noxious weed building project	685,039	685,039	-
Firehouse building project	934,932	485,712	449,220
Law enforcement center project	3,239,014	2,878,648	360,366
Fairground facilities project	951,360	815,008	136,352
Commons building project	6,215,056	411,344	5,803,712
Belvidere school repair	60,472	3,750	56,722

Subsequent to December 31, 2009, the County accepted a bid for the Road and Bridge storage building project in the amount of \$321,550.

KIOWA COUNTY, KANSAS
Notes to Financial Statements
For the Year Ended December 31, 2009

4. Long-term debt

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

	Date of Issue	Maximum Rate	Amount of Issue	Date of Final Maturity	Balance 01/01/09	Additions	Reductions/Payments	Net Change	Balance 12/31/09	Interest Paid
General obligation bonds payable:										
Series 2009-A, Courthouse	1/15/2009	4.625%	\$ 300,000	1/15/2034	\$ -	\$ 300,000	\$ 6,624		\$ 293,376	\$ 13,875
Series 2009-B, Road and Bridge	2/6/2009	4.500%	300,000	2/6/2034	-	300,000	-		300,000	-
Series 2009-C, Law enforcement	6/1/2009	4.500%	300,000	6/1/2034	-	300,000	-		300,000	-
Total general obligation bonds payable					-	900,000	6,624		893,376	13,875
Federal Emergency Management Agency loans:										
Community Disaster Loan	10/19/2007	4.00%	\$ 1,028,333	10/18/2012	-	-	-		-	-
Capital leases payable:										
Caterpillar - generator	12/17/2007	5.020%	20,442	12/31/2009	10,497	-	10,497		-	288
Caterpillar - loader	6/8/2009	5.250%	70,500	6/15/2010	-	70,250	35,000		35,250	-
Total capital leases payable					10,497	70,250	45,497		35,250	288
Total contractual indebtedness					10,497	970,250	52,121		928,626	14,163
Landfill closure and postclosure costs payable:										
Accrued costs					171,350			\$ 27,210	198,560	
Employee compensated absences payable:										
Accrued vacation and discretionary leave (net change)					70,299			4,425	74,724	
Total long-term debt					\$ 252,146	\$ 970,250	\$ 52,121	\$ 31,635	\$ 1,201,910	\$ 14,163

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

	2010	2011	2012	2013	2014	2015-2019	2020-2024	2025-2029	2030-2034	Total
Principal:										
General obligation bonds payable	\$ 20,405	\$ 21,331	\$ 22,230	\$ 23,276	\$ 24,368	\$ 139,378	\$ 174,019	\$ 217,373	\$ 250,996	\$ 893,376
Federal Emergency Management Agency loans	-	-	-	-	-	-	-	-	-	-
Capital leases payable	35,250	-	-	-	-	-	-	-	-	35,250
Total principal	55,655	21,331	22,230	23,276	24,368	139,378	174,019	217,373	250,996	928,626
Interest:										
General obligation bonds payable	40,569	39,642	38,743	37,697	36,606	165,488	130,849	87,497	33,374	610,465
Federal Emergency Management Agency loans	-	-	-	-	-	-	-	-	-	-
Capital leases payable	1,896	-	-	-	-	-	-	-	-	1,896
Total interest	42,465	39,642	38,743	37,697	36,606	165,488	130,849	87,497	33,374	812,361
Total principal and interest	\$ 98,120	\$ 60,973	\$ 60,973	\$ 60,973	\$ 60,974	\$ 304,866	\$ 304,868	\$ 304,870	\$ 284,370	\$ 1,540,987

Subsequent events

Subsequent to December 31, 2009, the County issued the following long-term debt:

	Date of Issue	Maximum Rate	Amount of Issue	Date of Final Maturity
General obligation bonds payable:				
Commons Building, Series 2010-B	4/20/2010	4.000%	\$ 300,000	4/20/2050
Road and Bridge storage building, Series 2010-C	5/13/2010	4.000%	100,000	5/13/2040
Total general obligation bonds payable			400,000	
Revenue bonds payable:				
Hospital building, Series 2010-A	1/15/2010	4.000%	2,130,200	1/15/2049
Total long-term debt			\$ 2,530,200	

KIOWA COUNTY, KANSAS
Notes to Financial Statements
For the Year Ended December 31, 2009

4. Long-term debt (continued)

Subsequent events (continued)

Current maturities of these bonds including interest for the next five years and in five year increments through maturity are as follows:

Year	General Obligation Bonds			Revenue Bonds			Total
	Principal	Interest	Total	Principal	Interest	Total	
2010	\$ -	\$ -	\$ -	\$ -	\$ 85,208	\$ 85,208	\$ 85,208
2011	4,942	16,000	20,942	-	85,208	85,208	106,150
2012	5,097	15,835	20,932	-	85,441	85,441	106,373
2013	5,343	15,598	20,941	27,451	85,208	112,659	133,600
2014	5,557	15,385	20,942	28,550	84,110	112,660	133,602
2015-2019	31,260	73,442	104,702	160,568	402,730	563,298	668,000
2020-2024	37,998	66,696	104,694	195,169	368,129	563,298	667,992
2025-2029	46,276	58,427	104,703	237,711	325,588	563,299	668,002
2030-2034	56,305	48,399	104,704	289,229	274,069	563,298	668,002
2035-2039	68,510	36,198	104,708	351,915	211,383	563,298	668,006
2040-2044	58,785	22,786	81,571	428,135	135,163	563,298	644,869
2045-2049	64,774	11,011	75,785	411,472	42,138	453,610	529,395
2050	15,153	606	15,759	-	-	-	15,759
Total	\$ 400,000	\$ 380,383	\$ 780,383	\$ 2,130,200	\$ 2,184,375	\$ 4,314,575	\$ 5,094,958

Legal debt margin

The debt limit per K.S.A. 10-306 is three percent of the assessed tangible valuation adjusted for exempt farm property, business aircraft and motor vehicles given by the County Assessor to the County Clerk on August 25th each year. Per K.S.A. 10-307, certain bond issues are not subject to the bonded indebtedness limitation; these include the refunding bonds and the limited obligation bonds issued for the purpose of financing the construction and remodeling of the courthouse, jail and law enforcement center, to be paid from sales tax proceeds. The amount of debt outstanding does not exceed the statutory limit.

5. Risk management and self-insurance

The County 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. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks exceeded commercial insurance coverage in 2007.

The Health Insurance Fund (an internal service fund) accounts for the County's payments on uninsured losses. The County transfers amounts to this fund based upon projected costs. Claims are then paid out of this fund for uninsured losses as they are filed or incurred. Unencumbered cash balance represents equity designated to pay for future catastrophic losses. The County discontinued self-insuring in 2009 and will close out this fund after all claims are submitted.

The claims liability reported in the Health Insurance Fund at December 31, 2009 and 2008, is based on the requirements of Governmental Accounting Standards Board Statements No. 10 and No. 30, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Claims liability and expenses include all specific, incremental claim adjustment expenses. Additionally, estimated amounts of salvage, subrogation and reinsurance recoverable on unpaid claims are deducted from any liability for unpaid claims. Changes in the Health Insurance Fund's claims liability amount in fiscal year 2009 and 2008 were:

KIOWA COUNTY, KANSAS
Notes to Financial Statements
For the Year Ended December 31, 2009

5. Risk management and self-insurance (continued)

	2008	2009
Beginning of fiscal year liability	\$ 20,997	\$ 18,428
Current year claims and changes in estimates	561,272	517,548
Claim payments	(563,841)	(535,976)
Balance at fiscal year end	\$ 18,428	\$ -

6. Commitments and contingencies

Commitments

On June 30, 2009, the County entered into a professional services agreement for appraisal services. The agreement was for 48 months; payments under this agreement for the year ended December 31, 2009, totaled \$25,000. Future minimum requirements as follows:

Year	Amount
2010	\$ 50,000
2011	50,000
2012	50,000
2013	25,000
Total	\$ 175,000

Contingencies

The County is responsible for the cleanup of any potential groundwater contamination that may occur due to County's landfills. To help offset the cost of the potential cleanup on the old landfill site, the County entered into an agreement in 1998 with the City of Greensburg which provides that each party will restrict \$5,000 per year for twenty years. The County's portion of this restriction is recorded in the Landfill Closure Fund.

Grant audits

The County participates in a number of federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors, their representatives and/or the Single Audit Act requirements. As of December 31, 2009, there were no material questioned or disallowed costs as a result of grant audits completed or in process.

7. Municipal solid waste landfill

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste, and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste. On September 30, 1997, the County closed the old landfill. In October, 2000, the County opened a new landfill. The \$198,560 reported as landfill closure and post closure care liability for the new landfill at December 31, 2009, represents the cumulative amount reported to date based on the use of 38.20% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and post closure care of \$321,269 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post closure care in 2009. The County estimates approximately 22 years remain prior to the closure of the new landfill. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. Closure and post closure care financial assurance requirements are being met through reserve amounts in the County's annual budget.

KIOWA COUNTY, KANSAS
Notes to Financial Statements
For the Year Ended December 31, 2009

8. Compliance with Kansas statutes

References made herein to the statutes are not intended as interpretation of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the County Attorney, the legal representative of the County. No material violations were noted; however, the following immaterial violations occurred:

- Kansas statutes 10-1113 and 10-1121 require no indebtedness be created for a fund in excess of available monies in that fund. As of December 31, 2009, the Payroll Insurance Clearing Account had a deficit cash balance of \$365; this was a result of the prepayment of premiums. The County withheld the premium from employees subsequent to year end.
- Kansas statute 19-2687 requires County department heads to investigate, inspect, and make an inventory of all personal property on an annual basis, and a comprehensive inventory should be compiled by the County Clerk. Inventory reports distributed to department heads were not being returned on a timely basis.

9. Related party transactions

Various departments and funds within the County provide goods and services to other operating departments. Charges for these services are billed in the same manner such services would be billed to the general public and are handled as arm's length transactions in the normal course of business.

10. Defined benefit pension plan

Plan description: Kiowa 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 up to 6% 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 employer rate established by statute for calendar year 2009 is 6.54%. Kiowa County, Kansas, contributions to KPERS for the years ending December 31, 2009, 2008 and 2007, were \$94,665, \$57,696, and \$61,915, respectively, equal to the statutory required contributions for each year.

Employees of the discretely presented component units also contribute to the Kansas Public Employees Retirement System. All contribution requirements were met by the component units and their employees.

KIOWA COUNTY, KANSAS
Notes to Financial Statements
For the Year Ended December 31, 2009

11. Interfund transfers

Interfund operating transfers are as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	
General	Long Term Recovery	19-120	\$ 30,402
General	Landfill Closure	19-119	30,000
General	Solid Waste	19-119	30,000
General	Building	19-120	500,000
Building	Long Term Recovery	19-120	1,332,770
Equipment Reserve	Long Term Recovery	19-119	221,600
Road and Bridge	Long Term Recovery	19-120	65,000
Motor Vehicle Operating	General	8-145	20,900
			<hr/>
Total			<u><u>\$ 2,230,672</u></u>

Supplemental Schedules

KIOWA COUNTY, KANSAS
 General Fund
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash receipts:				
Taxes:				
Ad valorem property	\$ 2,202,848	\$ 2,344,597	\$ 2,394,270	\$ (49,673)
Motor vehicle	96,015	92,372	99,533	(7,161)
Delinquent property	30,588	-	-	-
Interest and fees:				
Delinquent	26,431	12,385	10,000	2,385
Local sales	298,993	216,092	155,000	61,092
Total taxes	<u>2,654,875</u>	<u>2,665,446</u>	<u>2,658,803</u>	<u>6,643</u>
Intergovernmental revenue:				
State grants	176,084	127,809	240,000	(112,191)
Contract law	44,983	37,486	49,144	(11,658)
Jail Inmate Contracts				-
Mineral production tax	53,720	37,733	30,000	7,733
Total intergovernmental revenue	<u>274,787</u>	<u>203,028</u>	<u>319,144</u>	<u>(116,116)</u>
Licenses and fees:				
Mortgage registration fees	72,731	46,971	12,000	34,971
Sheriff fees	-	9,215	5,000	4,215
Officers' fees	54,246	23,314	15,000	8,314
Total licenses and fees	<u>126,977</u>	<u>79,500</u>	<u>32,000</u>	<u>47,500</u>
Use of money and property:				
Interest on investments	340,745	59,412	60,000	(588)
Other:				
Other	79,084	39,739	45,000	(5,261)
Transfers in	25,050	20,900	-	20,900
Total cash receipts	<u>\$ 3,501,518</u>	<u>\$ 3,068,025</u>	<u>\$ 3,114,947</u>	<u>\$ (46,922)</u>

(continued)

KIOWA COUNTY, KANSAS
 General Fund
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2009
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
(continued)				
Expenditures:				
General government:				
General and administrative:				
Personnel services	\$ 16,871	\$ 5,548	\$ 25,540	\$ (19,992)
Contractual services	180,026	288,553	150,000	138,553
Commodities	2,943	9,513	14,000	(4,487)
Capital outlay	1,496	9,095	90,000	(80,905)
Total general and administrative	201,336	312,709	279,540	33,169
County Commission:				
Personnel services	38,160	39,972	39,566	406
Contractual services	118,787	98,972	113,500	(14,528)
Commodities	2,167	808	19,000	(18,192)
Capital outlay	1,988	1,736	10,000	(8,264)
Total County Commission	161,102	141,488	182,066	(40,578)
County Clerk:				
Personnel services	63,741	61,377	67,427	(6,050)
Contractual services	2,770	7,400	4,750	2,650
Commodities	12,106	2,475	3,300	(825)
Capital outlay	371	5,076	2,000	3,076
Total County Clerk	78,988	76,328	77,477	(1,149)
County Treasurer:				
Personnel services	73,169	73,406	72,223	1,183
Contractual services	3,172	5,903	7,900	(1,997)
Commodities	4,852	5,227	6,100	(873)
Capital outlay	-	2,003	-	2,003
Total County Treasurer	81,193	86,539	86,223	316
Register of Deeds:				
Personnel services	53,186	53,087	44,928	8,159
Contractual services	3,476	5,002	4,120	882
Commodities	9,990	6,091	3,090	3,001
Capital outlay	113	-	4,120	(4,120)
Total Register of Deeds	66,765	64,180	56,258	7,922
Direct election:				
Personnel services	7,715	5,763	13,257	(7,494)
Contractual services	-	-	10,000	(10,000)
Commodities	28,995	3,482	5,000	(1,518)
Capital outlay	-	-	4,000	(4,000)
Total direct election	36,710	9,245	32,257	(23,012)

(continued)

KIOWA COUNTY, KANSAS
General Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009
(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
(continued)				
Commons Media Center:				
Personnel services	\$ -	\$ -	\$ 20,000	\$ (20,000)
Contractual services	-	39,598	30,000	9,598
Commodities	-	-	20,000	(20,000)
Total Commons Media Center	-	39,598	70,000	(30,402)
Employee benefits:				
Health insurance	\$ 536,292	\$ 463,643	\$ 725,237	\$ (261,594)
KPERS	73,361	83,923	104,431	(20,508)
FICA	117,319	121,495	142,273	(20,778)
Other	1,290	1,369	10,500	(9,131)
Total employee benefits	728,262	670,430	982,441	(312,011)
Neighborhood facility:				
Personnel services	-	-	2,639	(2,639)
Contractual services	-	-	9,500	(9,500)
Commodities	-	-	1,000	(1,000)
Capital outlay	-	-	12,500	(12,500)
Total neighborhood facility	-	-	25,639	(25,639)
Other agencies:				
Agricultural extension	100,300	109,300	109,300	-
Conservation district	10,500	13,000	13,000	-
County fair	16,500	18,500	18,500	-
Historical records	2,500	2,500	2,500	-
Library	68,480	70,370	70,370	-
Services for elderly	50,272	50,272	50,272	-
Swimming pool	12,000	10,000	11,000	(1,000)
Economic development	-	20,000	40,000	(20,000)
Total other agencies	260,552	293,942	314,942	(21,000)
Total general government	1,614,908	1,694,459	2,106,843	(412,384)
Public safety:				
County Attorney:				
Personnel services	72,575	74,008	70,127	3,881
Contractual services	4,315	4,826	4,800	26
Commodities	6,353	9,339	3,800	5,539
Capital outlay	-	-	1,000	(1,000)
Total County Attorney	83,243	88,173	79,727	8,446
County Attorney - diversion:				
Personnel services	7,633	8,589	-	8,589
Contractual services	4,367	17,325	-	17,325
Total County Attorney - diversion	12,000	25,914	-	25,914

KIOWA COUNTY, KANSAS
General Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2009
(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
(continued)				
Sheriff:				
Personnel services	\$ 466,134	\$ 473,781	\$ 503,541	\$ (29,760)
Contractual services	97,062	123,973	98,000	25,973
Commodities	64,150	55,597	48,000	7,597
Capital outlay	15,966	8,676	10,000	(1,324)
Total Sheriff	643,312	662,027	659,541	2,486
District court:				
Personnel services	-	-	39,860	(39,860)
Contractual services	27,468	23,262	26,110	(2,848)
Commodities	46,547	18,215	7,180	11,035
Capital outlay	1,254	13,661	6,885	6,776
Total district court	75,269	55,138	80,035	(24,897)
Emergency operations center:				
Personnel services	181,627	85,925	535,587	(449,662)
Contractual services	26,815	58,829	3,500	55,329
Commodities	20,091	14,400	4,000	10,400
Capital outlay	17,234	2,372	5,000	(2,628)
Total emergency operations center	245,767	161,526	548,087	(386,561)
Other agencies:				
Weather tower	3,583	960	2,500	(1,540)
Total public safety	1,063,174	993,738	1,369,890	(376,152)
Health and sanitation:				
Other agencies:				
Ambulance	130,435	140,000	140,000	-
Mental rehabilitation	5,000	5,000	5,000	-
Area Mental Health	34,000	34,000	34,000	-
Other	-	-	8,300	(8,300)
Total other agencies	169,435	179,000	187,300	(8,300)
Total health and sanitation	169,435	179,000	187,300	(8,300)
Transfers out	860,000	590,402	60,000	530,402
Total expenditures	\$ 3,707,517	\$ 3,457,599	\$ 3,724,033	\$ (266,434)

KIOWA COUNTY, KANSAS
 Long Term Recovery Fund
 Schedule of Cash Receipts and Cash Disbursements
 For the Year Ended December 31, 2009

	Balance 01/01/09	Cash Receipts	Cash Disburse- ments	Balance 12/31/09
Misc Disaster Administration	\$ 43,506	\$ -	\$ -	\$ 43,506
Federal Disaster Administration	17,988	296,876	31,743	283,121
Road and Bridge Temporary Relocation	1,000	-	2,607	(1,607)
Landfill Cover Dirt	3,605	-	562	3,043
Road and Bridge Shop Cleanup				
Overtime Labor 75%	-	22,949	-	22,949
Road and Bridge Equipment Storage Building	105,877	65,000	6,050	164,827
Road and Bridge Office Contents	(1,076)	-	-	(1,076)
Road and Bridge Shop Building	(16,473)	1,169,535	1,305,884	(152,822)
4-H Building Contents	20,133	-	-	20,133
4-H Storage Shed	5,837	-	-	5,837
The Recycle Building - 28	(108,082)	458,417	607,506	(257,171)
Kiowa County Show Barn	(113,235)	41,383	77,122	(148,974)
Bindweed Building	(19,933)	483,424	491,494	(28,003)
Recycle Building - 018	16,934	-	959	15,975
Courthouse Storage PODS	(6,048)	-	56,935	(62,983)
4-H Building	244,715	30,925	238,253	37,387
Fire Truck Garage and Storage	33,158	16,833	14,088	35,903
Bindweed Office Contents	4,083	-	-	4,083
Landfill White Goods Removal	2,479	-	-	2,479
Landfill Chain Link Fence	7,784	-	-	7,784
North Landfill Water Roads	7,183	-	-	7,183
North Landfill Equipment Rental - Scissor Lift	123	-	-	123
Library	361,619	-	74,965	286,654
Generator Building	45,721	24,515	69,253	983
Courthouse Maintenance Building	23,909	93,610	50,335	67,184
Radio Tower	9,232	40,769	44	49,957
Storage Shed at Sheriff's Office	25,612	58,474	31,904	52,182
Library Contents	394,743	-	-	394,743
Fire Station - Homeland Security Contents	(71,569)	-	7,437	(79,006)
Museum	(7,984)	10,500	183,153	(180,637)
Commissioners' Temporary Relocation	(37,615)	-	43,009	(80,624)
EMS Contents	(8,295)	-	-	(8,295)
Temporary Emergency Generator	(6,249)	11,815	11,529	(5,963)
County Jail	130,771	2,374,612	2,687,929	(182,546)
Autos	16,094	-	15,279	815
Repairs to Courthouse	(10,995)	-	-	(10,995)
Courthouse Building	(450,509)	2,727,825	2,257,964	19,352
R&B Contractors Equipment	42,940	-	8,900	34,040
Museum Contents	13,132	-	-	13,132
Storage Containers	(4,823)	12,445	15,875	(8,253)
Radio Antenna	6,465	92	998	5,559
Jail Contents	183,111	-	295	182,816
County Impound Lot	21,717	22,249	50,867	(6,901)
Damaged County Dumpsters	5,900	-	-	5,900
Courthouse Grounds	(28,013)	120,471	128,659	(36,201)
County-wide Tree Debris Removal	(524)	-	-	(524)
Courthouse Contents	(13,548)	-	-	(13,548)
Courthouse Contents Restoration	144,874	1,000	42,470	103,404
Sheriff Surveillance Equipment	3,696	-	-	3,696

(continued)

KIOWA COUNTY, KANSAS
 Long Term Recovery Fund
 Schedule of Cash Receipts and Cash Disbursements
 For the Year Ended December 31, 2009

	Balance 01/01/09	Cash Receipts	Cash Disburse- ments	Balance 12/31/09
(continued)				
Temporary Fire Station Relocation	\$ (87,352)	\$ -	\$ 30,850	\$ (118,202)
Landfill Equipment Rental	1,402	-	-	1,402
County Road Repair	46,151	-	-	46,151
Fire Station Contents	38,086	-	-	38,086
Courthouse Temp Relocation 100%	2,673	-	-	2,673
Courthouse Temporary Facilities	(34,354)	-	39,638	(73,992)
Road and Bridge Shop Contents	(722)	-	-	(722)
Landfill Access Agreement	(150)	-	-	(150)
	<u>\$ 1,004,704</u>	<u>\$ 8,083,719</u>	<u>\$ 8,584,556</u>	<u>\$ 503,867</u>

KIOWA COUNTY, KANSAS
 Reconciliation of 2008 Tax Roll
 For the Year Ended December 31, 2009

2008 Tax Roll as Adjusted:		
County Clerk's abstract of taxes levied		\$ 9,391,389
Supplemental tax roll		2,627
2008 taxes abated		<u>(96,314)</u>
2008 tax roll as adjusted		<u>\$ 9,297,702</u>
2008 Tax Roll Accounted For:		
2008 current tax collections		\$ 9,245,274
Delinquent taxes:		
Personal property tax warrants	\$ 18,306	
Real estate taxes	<u>34,122</u>	<u>52,428</u>
2008 total tax roll		<u>\$ 9,297,702</u>

KIOWA COUNTY, KANSAS
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2009

Grant Title	Federal CFDA Number	Grant Number	Cluster	Program Award Amount	Disburse- ments/ Expenditures
DEPARTMENT OF AGRICULTURE					
Direct:					
Community Facilities Loans and Grants	10.766	18049486007123		\$ 2,223,000	\$ 2,061,360
Community Facilities Loans and Grants	10.766	18049486007123		400,000	300,000
Community Facilities Loans and Grants	10.766	18049486007123		2,205,000	1,844,419
Community Facilities Loans and Grants	10.766	18049486007123		4,260,400	-
Community Facilities Loans and Grants	10.766	18049486007123		127,480	-
Community Facilities Loans and Grants	10.766	18049486007123		1,960,000	-
Passed through State Department of Health and Environment:					
Special Supplemental Food Program for Women, Infants and Children	10.557	2009		129,796	31,643
Special Supplemental Food Program for Women, Infants and Children	10.557	2009		165,225	126,430
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Passed through Kansas Department of Commerce:					
Community Development Block Grant/ State's Program	14.228	07-IT-707		400,000	8,438
DEPARTMENT OF LABOR					
Passed through Kansas Department of Commerce:					
National Emergency Grant	17.260	WIA		937,800	352,032
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Passed through State Department of Health and Environment:					
Bioterrorism Preparedness and Response	93.069	2010		22,169	4,157
Bioterrorism Preparedness and Response	93.069	2009		9,209	2,776
Migrant Farm Workers Program	93.224			10	10
Immunization Action Plan	93.268	2010		854	208
Immunization Action Plan	93.268	2009		878	-
Disease Prevention and Health Promotion	93.283	2010		216	216
Child Care Facility Licensing	93.575	2010		1,039	916
Child Care Facility Licensing	93.575	2009		1,097	730
Maternal and Child Health Services Block Grant	93.994	2010		802	802
Maternal and Child Health Services Block Grant	93.994	2009		802	693
Other Federal Programs	93.unknown			6	6
FEDERAL EMERGENCY MANAGEMENT AGENCY					
Passed through State Division of Emergency Management:					
Community Disaster Loans	97.030			1,028,333	-
Disaster Grants Public Assistance	97.036	1699 - PW2		2,286	1,086
Disaster Grants Public Assistance	97.036	1699 - PW16		401,381	263,426
Disaster Grants Public Assistance	97.036	1699 - PW20		214,126	144,147

(continued)

KIOWA COUNTY, KANSAS
 Schedule of Expenditures of Federal Awards
 For the Year Ended December 31, 2009

Grant Title	Federal CFDA Number	Grant Number	Cluster	Program Award Amount	Disburse- ments/ Expenditures
(continued)					
Disaster Grants Public Assistance	97.036	1699 - PW21		\$ 745,059	\$ 741,449
Disaster Grants Public Assistance	97.036	1699 - PW25		286,196	243,527
Disaster Grants Public Assistance	97.036	1699 - PW27		20,643	5,201
Disaster Grants Public Assistance	97.036	1699 - PW44		3,321	108
Disaster Grants Public Assistance	97.036	1699 - PW85		5,532	5,532
Disaster Grants Public Assistance	97.036	1699 - PW88		12,579	1,262
Disaster Grants Public Assistance	97.036	1699 - PW89		2,071	1,653
Disaster Grants Public Assistance	97.036	1699 - PW103		63,323	5,578
Disaster Grants Public Assistance	97.036	1699 - PW227		34,479	28,918
Disaster Grants Public Assistance	97.036	1699 - PW471		16,762	10,425
Disaster Grants Public Assistance	97.036	1699 - PW529		21,034	20,069
Disaster Grants Public Assistance	97.036	1699 - Admin		46,496	28,373
Disaster Grants Public Assistance	97.036	1776 - PW760		3,200	1,700
Disaster Grants Public Assistance	97.036	1848 - PW002		17,700	17,700
DEPARTMENT OF HOMELAND SECURITY					
Passed through Kansas Highway Patrol:					
State Homeland Security Program	97.067	PSIC - 2008		42,450	<u>42,450</u>
TOTAL FEDERAL GRANTS					<u><u>\$ 6,297,440</u></u>

The accompanying Notes to Schedule of Expenditures of Federal Awards are an integral part of this statement.

KIOWA COUNTY, KANSAS
Notes to Schedule of Expenditures of Federal Awards
December 31, 2009

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Kiowa County, Kansas. The County's reporting entity is defined in Note 1 to the County's statutory basis financial statements. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies is included on the Schedule.

2. Basis of accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on a basis of accounting which demonstrates compliance with the cash basis and budget laws of Kansas, which is described in Note 1 to the County's statutory basis financial statements. However, no encumbrances are included in the expenditures for federal programs.

SINGLE AUDIT
SECTION



INDEPENDENT AUDITORS' 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

The County Commissioners
Kiowa County
Greensburg, Kansas 67054

We have audited the statutory basis financial statements of Kiowa County, Kansas, as of and for the year ended December 31, 2009, for the primary government and selected component units including the Kiowa County Extension Council and Kiowa County Public Library, and have issued our report thereon dated June 18, 2010. The County prepares its financial statements on a basis of accounting that demonstrates compliance with the cash 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 State of America. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Kiowa County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kiowa County's control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kiowa County's statutory basis 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.

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Monica J. Wilson, CPA

The County Commissioners
Kiowa County
Page 2

We noted certain matters that we reported to the management of Kiowa County, Kansas, in a separate letter dated June 18, 2010.

This report is intended solely for the information and use of the County's management, the Kansas Division of Accounts and Reports, and 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.

Lewis, Hooper + Dick, LLC
LEWIS, HOOPER & DICK, LLC

June 18, 2010



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133

The County Commissioners
Kiowa County
Greensburg, Kansas 67054

Compliance

We have audited the compliance of the primary government of Kiowa County, Kansas, and selected component units including the Kiowa County Extension Council and Kiowa County Public Library, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2009. Kiowa County's major federal programs are identified in the summary of auditors' 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 Kiowa County's management. Our responsibility is to express an opinion on Kiowa County's compliance based on our audit.

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 Kiowa County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Kiowa County's compliance with those requirements.

In our opinion, Kiowa County, Kansas, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

The management of Kiowa County, Kansas, 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 Kiowa County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our 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 Kiowa County's internal control over compliance.

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Monica J. Wilson, CPA

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 a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the County's management, the Kansas Division of Accounts and Reports, and 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.

A handwritten signature in cursive script that reads "Lewis, Hooper & Dick, LLC". The signature is written in black ink and is positioned above the printed name of the firm.

LEWIS, HOOPER & DICK, LLC

June 18, 2010

KIOWA COUNTY, KANSAS
 Schedule of Findings and Questioned Costs
 December 31, 2009

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the statutory basis financial statements of the primary government of Kiowa County, Kansas, and selected component units including the Kiowa County Extension Council and Kiowa County Public Library.
2. No deficiencies in internal control considered to be material weaknesses relating to the audit of the financial statements are reported in the INDEPENDENT AUDITORS' 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.
3. No instances of noncompliance material to the financial statements of Kiowa County, Kansas, were disclosed during the audit.
4. No deficiencies in internal control over compliance relating to the audit of the major federal award programs are reported in the INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133.
5. The auditors' report on compliance for the major federal award programs for Kiowa County, Kansas, expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Kiowa County, Kansas, as reported in Part C of this schedule.
7. The programs tested as major programs include:

Program	CFDA	Expenditures
Community Facilities Loans and Grants	10.766	\$ 4,205,779
National Emergency Grant	17.260	352,032

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Kiowa County, Kansas, was determined to be a low-risk auditee.

B. FINANCIAL STATEMENT FINDINGS

None

C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

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KIOWA COUNTY

GREENSBURG, KANSAS 67054

Co. Commissioners
723-3366

Co. Clerk
723-3366

Co. Treas.
723-2681

Co. Sheriff
723-2182

Road & Bridge
723-2531



Reg. of Deeds
723-2441

Co. Attorney
723-2721

Appraiser
723-3301

Co. Health Dept.
723-2136

Noxious Weed Dept.
723-2304

June 18, 2010

Kiowa County, Kansas, respectfully submits the following corrective action plan for the year ended December 31, 2009.

Name and address of independent accounting firm: Lewis, Hooper & Dick, LLC
PO Box 699
Garden City, KS 67846

Audit period: January 1, 2009 through December 31, 2009

The findings from the December 31, 2009, Schedule of Findings and Questioned Costs related to the federal award programs are discussed below.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

STATUS OF CORRECTIVE ACTIONS ON PRIOR FINDINGS

None

If there are any questions regarding this plan, please call Carmen L. Renfrow at 620-723-3366.

Sincerely,

A handwritten signature in cursive script that reads 'Carmen L. Renfrow'.

Carmen L. Renfrow
County Clerk



June 18, 2010

The County Commissioners
Kiowa County, Kansas

In planning and performing our audit of the statutory basis financial statements of Kiowa County, Kansas, for the primary government and selected component units including the Kiowa County Extension Council and Kiowa County Public Library, as of and for the year ended December 31, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered Kiowa County's internal control over financial reporting (internal control) as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatement due to error or fraud may occur and not be detected by such controls. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

However, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated June 16, 2010, on the financial statements of Kiowa County, Kansas. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. Our comments are summarized in the attached schedule.

To ensure compliance with requirements imposed by the IRS, we inform you that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or tax related matter.

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The County Commissioners
Kiowa County, Kansas
June 18, 2010
Page 2

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

Respectfully submitted,


LEWIS, HOOPER & DICK, LLC

OBSERVATIONS AND RECOMMENDATIONS

Compliance with Kansas statutes

There were no material violations of Kansas statutes observed for the year ended December 31, 2009. However, we did note the following immaterial violation:

- Kansas statutes 10-1113 and 10-1121 require no indebtedness be created for a fund in excess of available monies in that fund. As of December 31, 2009, the Payroll Insurance Clearing Account had a deficit cash balance of \$365; this was a result of the prepayment of premiums. The County withheld the premium from employees subsequent to year end. The County should monitor the unencumbered cash balance of all funds and accounts to keep an unencumbered balance of zero or above in each individual fund at all times.
- Kansas statute 19-2687 requires County department heads to investigate, inspect, and make an inventory of all personal property on an annual basis, and a comprehensive inventory should be compiled by the County Clerk. Inventory reports distributed to department heads were not being returned on a timely basis. We recommend enforcement of the deadline of December 31st for the inventory listing being returned to the County Clerk as per the State statute.

In addition, Kansas statute 10-816 allows checks over two years old to be voided and restored to the original fund. As of December 31, 2009, the County had twelve outstanding checks over two years old totaling \$1,071.37. We recommend the County institute a policy to examine all outstanding checks on an ongoing basis for amounts to be voided and reissued or to be returned to the original funds.

Disbursements

To ensure security over voided checks, the signature area should be removed or defaced on all void checks. We noted copies of voided checks are made and filed before the signature line is removed. To strengthen security, a consistent policy should be established which includes removing or defacing the signature area on voided checks before copies of the checks are made.

Minutes

The minutes of the Commission meetings are the official transcript documenting the Commissioners' decisions. As such, they should be a complete and accurate accounting of the Commission meetings. We noted during our procedures the County held the annual budget hearing on a timely basis; however, there is no indication in the minutes that the budget was formally adopted. We recommend the minutes be reviewed prior to approval to ensure they are complete.

The 2010 minutes indicated the Commissioners approved donations to the SouthWest Kansas Area Agency on Aging and the Red Cross. Governmental entities in the State of Kansas have no statutory authority to make donations. We recommend the Commissioners monitor future expenditures to ensure they are allowable program support rather than donations.

Computer software

The "Budget Status by Fund/Dept – Summary Report" contains a column for budget by line item. For 2009, the budget amounts for this report did not tie to the actual budget for the year. This eliminates the usefulness of the remaining budget information presented. We recommend the County review the input of the actual budget amounts so the reports may be used in monitoring budgeted revenues and expenditures.

Personnel and payroll

The County currently requires employees to complete monthly time sheets which are to be signed by the employee and approved by their supervisor. One time sheet selected during testing was not signed by the employee as the employee was on vacation when the timesheet was prepared. We recommend all timesheets be consistent and signed when approved by the employee and supervisor prior to submission for payment to ensure the correct number of hours are being paid to the employees.

The County does not have a prescribed standard or written record for measuring, evaluating, and reporting employee performance. It has been demonstrated individuals generally accomplish more and work better as a team when they fully understand their responsibilities and have a common agreement with their superiors about the job objectives and performance standards on which they will be evaluated. We recommend the County adopt a personnel performance evaluation program that would include the following features:

1. The preparation and issuance of written job responsibilities for all personnel.
2. A periodic reappraisal of employee functions to determine that each employee is fully employed in useful operations.
3. A mutual understanding between the superior and subordinate about job description, operating objectives, and performance standards.
4. A periodic review of employee performance against these goals.
5. An employee evaluation and progress report prepared at regular intervals by the employee's supervisor, discussed with the employee, and filed in the employee's personnel file. Ideally, the employee would have an opportunity to challenge the supervisor's evaluation and record comments before signing it as an indication that it had been discussed with the supervisor.

Requiring all employees to take an annual vacation, during which time others perform their job functions, is an excellent internal control as well as cross training opportunity. Performing the job functions for those on annual vacations is important in the detection of errors, inefficiencies, and irregularities; and provides management with a means of cross-training employees. Cross-trained employees help ensure someone will be able to perform all the tasks required by the County. Additionally, cross-trained employees become a valuable resource as their understanding of more aspects of County operations increase. This understanding helps them to better fulfill their responsibilities and recommend improvements in other areas as well. We recommend that the County cross-train employees to perform other functions so every position is appropriately backed-up in the event of an unexpected absence as well as a planned vacation.

A policy should be in place for the use of County's staff in reporting difficulties, opportunities, suggestions, and problems including potential fraud or unethical activity. Although an informal policy appears to exist, the County has not developed an official policy for the staff to follow. A written policy provides the staff with clear guidelines and procedures for reporting issues they feel need addressed. We recommend the Commissioners consider implementing such a policy.

Federal funds

Federal grants provide funding for significant programs within the County and should be monitored to ensure all available federal funds are expended by each grant. During the current year, wages were underreported for one employee under the Workforce Investment Act grant; thus, the County may not have received all of its potential federal funding. Grant expenditures should be monitored during the year to ensure all costs are properly coded to the federal grant programs within the various grant guidelines. In addition, a timely request for reimbursement of grants' expenditures improves the County's cash flow.

Agencies and departments

The agencies and departments should continue to monitor their accounting activities to ensure controls are in place wherever possible. Preparation or review of the bank reconciliations by someone independent of the receipt/disbursement of funds should occur whenever possible. We recommend duties be separated so the same person is not signing checks and reconciling the account. Another excellent control is to have a person not authorized to sign checks or reconcile the accounts receive the unopened bank statement, review the statement and subsequent bank reconciliation and initial their approval. This additional oversight mitigates the deficiencies that result from a limited staff.

Extension Council

Proper accounting requires bank balances to reconcile to financial reports. Interest on the Extension Council savings account is not currently added to the account on financial reports submitted by the Council. We recommend prior and current interest be recorded on the savings account to reconcile the balance per bank to the balance stated on the report.

The Extension Council is reconciling their bank accounts; however, the reconciliations are prepared through the date of the bank statement rather than through month end. We recommend the bank accounts be reconciled to month end in order for the reconciliations to support the cash balances per the accounting records. To facilitate this process, the Council could request the bank cutoff and issue bank statements at month end on all of the Council's accounts.

Library

Kansas statutes 74-99b07 and 75-4317 set forth the items which may be discussed in executive session. Items the Board may typically discuss in executive session relate to personnel issues, plans that could affect the value of property, and security issues. We noted non-elected personnel matters were discussed in general session allowing the personnel issues to become public knowledge. We recommend the Library Board enter into executive sessions to discuss items allowed by statute and they properly document in the minutes those purposes.

Kansas statutes limit the form of compensation for local governmental entities. In December, 2009, the Library Board authorized and paid its employees a bonus; there is no statutory authority for the payment of bonuses to local governmental employees. We recommend the Library Board review the statutes governing the form of compensation allowed for local governmental entities within the State of Kansas.

The use of financial software can assist in greater efficiency and more accurate reporting. The Library currently maintains financial records on handwritten spreadsheets. The handwritten spreadsheets are then recapped into the monthly Board report. To aid in maintaining accurate accounts and improve efficiency, we recommend the Library begin using QuickBooks or another software program for accounting.

Register of Deeds

Per K.S.A. 10-816, the County is allowed to void a warrant issued against funds of the County after a period of 2 years has lapsed since signing the warrant. These funds are then reinstated to the fund from which the money was drawn. At December 31, 2009, the Register of Deed's account had two checks outstanding over two years totaling \$8. We recommend the County monitor old outstanding checks and void or reissue as appropriate.

Sheriff

Per K.S.A. 10-816, the County is allowed to void a warrant issued against funds of the County after a period of 2 years has lapsed since signing the warrant. These funds are then reinstated to the fund from which the money was drawn. At December 31, 2009, the Sheriff Inmate account had a check outstanding over two years totaling \$40. We recommend the County monitor old outstanding checks and void, reissue or submit to unclaimed property as appropriate.

Designation of authorized signatures is an excellent internal control. Currently, the signature card for a Sheriff account at Greensburg State Bank has the prior sheriff as an authorized signature on the account. To strengthen controls, we recommend authorized signatures be reviewed on a regular basis to ensure properly authorized personnel are reflected on the account.

RESOLUTION OF PRIOR OBSERVATIONS AND RECOMMENDATIONS

We noted that management has addressed the suggestions and comments resulting from the prior year audit as follows:

Compliance with Kansas statutes

Kansas statute 28-175 requires the Sheriff to remit collected fees on the first and fifteenth days of each month to the County Treasurer. The Sheriff has been remitting fees collected to the County Treasurer on a routine basis.

Kansas statute 79-2935 requires no indebtedness be created in excess of budgeted limits in any fund. At December 31, 2008, the General fund expenditures exceeded its legal budget by \$244,690 as a result of the extra expenditures resulting from the May 4, 2007, disaster. During 2009 the County monitored expenditures and grant matching requirements to avoid budget violations.

Disbursements

A purchasing policy is a valuable tool in County fiscal management. In February, 2009, the County updated its purchasing policy to require any purchases between \$1,500 and \$5,000 to have at least three oral or written price quotes. In addition, there was a bid policy requiring the Commissioners' approval for expenditures over \$5,000. Road materials of up to \$15,000 may be approved by the department head with assurance the prices are acceptable based on prior purchases of similar items or based on an annual bid. We recommend the policy continue to be enforced for purchases made by all departments.

Computer software

Access to computers and computer software should be controlled so only authorized personnel have access. Previously, the Appraiser's Office has access to the Clerk's software regarding property valuations resulting in a lack of controls between the two offices. This was resolved and the Appraiser's Office now has read only access to the Clerk's data.

Personnel and payroll

A twenty point checklist is provided by the Internal Revenue Service to be used in determining compliance with employee versus contract labor; in addition, the Internal Revenue Service considers all payments to elected officials for duties of their position to be wages subject to all payroll taxes and withholdings. The County reviewed additional pay policies during 2009 to ensure compliance with regulations.

All original time cards should be kept in the County Clerk's office since the Clerk is ultimately responsible for the payment of such items and ensuring proper record retention for such items. The County's personnel policy further addresses maintenance and access to personnel files. All original time cards tested are being turned into the Clerk's office.

Diversion fees

K.S.A. 28-175 requires the County Attorney to pay diversion fees collected to the County Treasurer for credit to the general fund. The synopsis from Attorney General Opinion No. 97-34 states:

"A county attorney has prosecutorial discretion to offer a pay and dismiss policy for persons charged with speeding violations. Such policies are diversions and, as such, must comply with the statutory diversion requirements set forth in K.S.A. 22-2906 *et seq.* The fee received by a county attorney pursuant to a pay and dismiss policy should be paid to the county treasurer as directed by K.S.A. 28-175, credited to the general fund, and handled according to budgetary procedures applicable to all moneys deposited in the county general fund. Cited herein: K.S.A. 19-705; 20-2801; 22-2906; 28-175."

Kansas statutes 28-175 and 19-705 are the main support for this opinion. While we cannot offer a legal opinion, it appears the diversion fees should be submitted to the County Treasurer for revenue in the General fund. The County Attorney's access to these funds is then covered by the adopted budget. Although the County maintains a separate fund for the diversion fees, they are included as part of the General fund for financial reporting and budget purposes.

Sheriff

County policy requires supporting documentation be attached to the voucher to verify the authenticity of the expenditure. By attaching the proper supporting documentation to the voucher prior to approval, the County reduces the risk of paying unauthorized expenditures or false reimbursements. Purchases tested in the current year were paid only when supporting documentation was attached for review.

All expenditures of the County should be paid using the established County procedures. Expenditures of the Sheriff's department tested in the current year followed the County's established procedures.

One aspect of fiduciary responsibility is monitoring expenditures to avoid unnecessary costs to the County. In an effort to reduce costs, credit cards were monitored and finance charges avoided in the current year.

Sheriff inmate accounts should be reconciled to the amount due to inmates as well as to the bank on a monthly basis. The excess funds which accumulated due to commissary fees were transferred to the County's General fund on January 6, 2010.