

MARION COUNTY, KANSAS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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

BOARD OF COUNTY COMMISSIONERS

Daniel Holub
Chairman

Randy Dallke

Robert G. Hein

LIST OF PRINCIPAL OFFICIALS

Carol A. Maggard
County Clerk

Jeannine Bateman
County Treasurer

Jo A. Ottensmeier
Register of Deeds

John R. Summerville
Road and Bridge
Superintendent

Cindy Magill
Appraiser

Steven L. Smith
Emergency Medical
Services Director

Susan C. Robson
County Attorney

Steven D. Hudson
Park & Lake Superintendent

Gayla L. Ratzlaff
Department on
Aging Coordinator

Robert P. Craft
County Sheriff

MARION COUNTY, KANSAS

FINANCIAL STATEMENTS
For the Year Ended December 31, 2009

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MARION COUNTY, KANSAS
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JANZEN
HAWK &
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Certified Public Accountants

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Keith S. Janzen, CPA
Kyle J. Hawk, CPA
D. Scot Loyd, CGFM, CPA

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Marion County
Marion, Kansas 66861

We have audited the accompanying financial statements of Marion County, Kansas, as of and for the year ended December 31, 2009 as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial (and summarized) comparative information has been derived from the County's December 31, 2008 financial statements and, in our report dated September 14, 2009 we expressed an unqualified opinion on the financial statements taken as a whole.

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

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

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the County as of December 31, 2009, or the changes in its financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the County, as of December 31, 2009, and its cash receipts and expenditures or disbursements, and budgetary comparisons for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2010, on our consideration of Marion 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 important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Marion County, Kansas' financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the financial statements. 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 not a required part of the financial statements of Marion County, Kansas. The other supplementary information and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole. Marion County, Kansas' responses to the findings identified in our audit are described in the accompanying schedule of findings and question costs and have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Swindoll, Janzen, Hawk & Loyd, LLC

Certified Public Accountants

September 15, 2010



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**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**

County Commissioners
Marion, Kansas 66861

We have audited the financial statements of the Marion County, Kansas as of and for the year ended December 31, 2009, and have issued our report thereon dated September 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit Guide*.

Internal Control Over Financial Reporting

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

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Marion County, Kansas' ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Marion County, Kansas' financial statements that is more than inconsequential will not be prevented or detected by the Marion County, Kansas' internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting, item 09-01 and 09-02.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Marion County, Kansas' internal control.

Our consideration of 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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Marion County, Kansas' 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*.

We also noted certain other matters that we reported to management of the Marion County, Kansas in a separate letter dated September 15, 2010.

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

This report is intended solely for the information and use of management, County Commissioners, federal awarding agencies, pass-through entities and for filing with the Division of Accounts and Reports and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Swindoll, Janzen, Hawk & Loyd, LLC

Certified Public Accountants

September 15, 2010



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

County Commissioners
Marion County, Kansas

Compliance

We have audited the compliance of the Marion County, Kansas, 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. The Marion County, Kansas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Marion County, Kansas' management. Our responsibility is to express an opinion on the Marion County, Kansas' 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the *Kansas Municipal Audit Guide*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Marion County, Kansas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Marion County, Kansas' compliance with those requirements.

In our opinion, the Marion 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 the Marion County, Kansas is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Marion County, Kansas' internal control over compliance with the 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, 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 Marion County, Kansas' internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 management, County Commissioners, others within the entity, federal awarding agencies, pass-through entities and for filing with the Division of Accounts and Reports and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Swindoll, Janzen, Hawk & Loyd, LLC

Certified Public Accountants

September 15, 2010

MARION COUNTY, KANSAS

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
For the Year Ended December 31, 2009

Fund	Beginning Unencumbered Cash		Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance 12-31-09	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance 12-31-09
	1-01-09	1-01-09						
GENERAL FUND	\$ 1,790,919	\$ 398	\$ 3,709,185	\$ 3,833,300	\$ 1,667,202	\$ 209,416	\$ 1,876,618	
SPECIAL REVENUE FUNDS:								
Ambulance Fund	198,748	-	475,321	462,354	211,715	89,577	301,292	
Appraiser's Cost Fund	21,904	-	299,228	291,278	29,854	678	30,532	
E911 Fund	107,482	-	53,044	40,134	120,392	1,985	122,377	
E911 Cell Surcharge Fund	33,300	-	51,732	30,682	54,350	1,985	56,335	
Aging Fund	18,804	-	98,362	92,010	25,156	5,116	30,272	
Election Fund	89,097	-	63,267	50,138	102,226	440	102,666	
Employee Benefits Fund	264,367	-	1,059,960	1,014,499	309,828	-	309,828	
Health Fund	99,236	639	292,888	251,260	141,503	3,376	144,879	
Health Fund - Morris W.I.C.	-	-	18,029	16,823	1,206	-	1,206	
Noxious Weed Fund	80,508	-	126,141	164,837	41,812	166	41,978	
Noxious Weed Capital								
Outlay Fund	25,390	-	10,000	-	35,390	-	35,390	
Park Fund	41,482	647	241,204	215,080	68,253	628	68,881	
Register of Deeds Technology Fund	47,056	-	15,422	46,857	15,621	-	15,621	
Risk Management Reserve Fund	287,671	-	-	5,529	282,142	-	282,142	
Road and Bridge Fund	789,332	-	3,081,736	3,109,261	761,807	1,149	762,956	
Sheriff Concealed Weapons Fund	126	-	2,030	-	2,156	-	2,156	
Sheriff Drug Fund	425	-	92	491	26	-	26	
Solid Waste Fund	187,504	2,282	8,776	57,929	140,633	-	140,633	
Special Alcohol and Drug Program Fund	3,160	-	4,382	4,156	3,386	-	3,386	
Special Bridge Fund	87,987	-	244,261	177,953	154,295	-	154,295	
Special Road and Bridge Fund (68-1103)	118,128	-	206,051	-	324,179	-	324,179	

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

MARION COUNTY, KANSAS

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
For the Year Ended December 31, 2009

Fund	Beginning Unencumbered Cash Balance 1-01-09	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance 12-31-09	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance 12-31-09
SPECIAL REVENUE FUNDS: (cont.)							
Special Road Machinery and Equipment Fund	\$ 33,948	\$ -	\$ 335,000	\$ 303,527	\$ 65,421	\$ -	\$ 65,421
EMT Class Grants	-	-	18,328	12,613	5,715	226	5,941
TOTAL SPECIAL REVENUE FUNDS	2,535,655	3,568	6,705,254	6,347,411	2,897,066	105,326	3,002,392
DEBT SERVICE FUND:							
Bond and Interest Fund	31,243	-	104,690	104,140	31,793	-	31,793
CAPITAL PROJECT FUND:							
Capital Improvements Fund	1,611,533	-	917,710	-	2,529,243	-	2,529,243
ENTERPRISE FUND:							
Transfer Station Fund	336,137	-	579,760	541,592	374,305	19,882	394,187
PRIVATE PURPOSE TRUST FUNDS:							
Law Enforcement Trust Fund	1,903	-	-	-	1,903	-	1,903
Prosecutor Training Assistance Fund	3,110	-	1,210	985	3,335	-	3,335
TOTAL PRIVATE PURPOSE TRUST FUNDS	5,013	-	1,210	985	5,238	-	5,238
COMPONENT UNIT:							
Marion County Extension Council	49,878	-	166,761	158,406	58,233	-	58,233
TOTAL REPORTING ENTITY (Excluding Agency Funds)	\$ 6,360,378	\$ 3,966	\$ 12,184,570	\$ 10,985,834	\$ 7,563,080	\$ 334,624	\$ 7,897,704

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

MARION COUNTY, KANSAS

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

For the Year Ended December 31, 2009

	Ending Cash Balance <u>12-31-09</u>
Composition of Cash:	
Cash and cash items	\$ 20,588
Checking Account-Marion National Bank, Marion	34,815
Checking Account-Marion National Bank, Marion	1,163,503
Checking Account-Marion National Bank, Marion	41,355
Checking Account-Central National Bank, Marion	256,590
Checking Account-Central National Bank, Marion	6,532,124
Checking Account-Peabody State Bank, Peabody	3,603
Checking Account-Emprise Bank, Hillsboro	255,538
Checking Account-Hillsboro State Bank, Hillsboro	20,983
Checking Account-Tampa State Bank, Tampa	92,181
Checking Account-Tampa State Bank, Tampa	916,948
Certificate of Deposit-Cottonwood Valley Bank, Florence	250,000
Certificate of Deposit-Marion National Bank, Hillsboro	1,050,000
Certificate of Deposit-Hillsboro State Bank, Hillsboro	896,080
Certificate of Deposit-Peabody State Bank, Peabody	700,000
Certificate of Deposit-Pilsen State Bank, Lincolnville	150,000
Certificate of Deposit-Tampa State Bank, Tampa	100,000
Certificate of Deposit-Central National Bank, Marion	4,000,000
Checking Account-Law Library	976
Component Unit-Marion County Extension Council	<u>58,233</u>
Total Cash	16,543,517
Less Agency Funds per Statement 4	<u>(8,645,813)</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 7,897,704</u>

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

MARION COUNTY, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2009

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance- Favorable (Unfavorable)</u>
GENERAL FUND	\$ 4,678,663	\$ -	\$ 4,678,663	\$ 3,833,300	\$ 845,363
SPECIAL REVENUE FUNDS:					
Ambulance Fund	592,707	-	592,707	462,354	130,353
Appraiser's Cost Fund	346,635	-	346,635	291,278	55,357
E911 Fund	160,910	-	160,910	40,134	120,776
E911 Cell Surcharge Fund	75,139	-	75,139	30,682	44,457
Aging Fund	120,611	-	120,611	92,010	28,601
Election Fund	142,023	-	142,023	50,138	91,885
Employee Benefits Fund	1,300,500	-	1,300,500	1,014,499	286,001
Health Fund	315,471	-	315,471	251,260	64,211
Noxious Weed Fund	189,735	-	189,735	164,837	24,898
Noxious Weed Capital Outlay Fund	35,390	-	35,390	-	35,390
Park Fund	222,037	-	222,037	215,080	6,957
Register of Deeds Technology Fund	106,051	-	106,051	46,857	59,194
Risk Management Reserve Fund	187,671	-	187,671	5,529	182,142
Road and Bridge Fund	3,552,938	-	3,552,938	3,109,261	443,677
Sheriff Drug Fund	10,006	-	10,006	491	9,515
Solid Waste Fund	175,887	-	175,887	57,929	117,958
Special Alcohol and Drug Program Fund	5,003	-	5,003	4,156	847
Special Bridge Fund	308,711	-	308,711	177,953	130,758
Special Road and Bridge Fund (68-1103)	344,348	-	344,348	-	344,348
Special Road Machinery and Equipment Fund	400,037	-	400,037	303,527	96,510
Total Special Revenue Funds	<u>8,591,810</u>	<u>-</u>	<u>8,591,810</u>	<u>6,317,975</u>	<u>2,273,835</u>
DEBT SERVICE FUND:					
Bond and Interest Fund	<u>126,951</u>	<u>-</u>	<u>126,951</u>	<u>104,140</u>	<u>22,811</u>
CAPITAL PROJECT FUND:					
Capital Improvements Fund	<u>1,216,648</u>	<u>-</u>	<u>1,216,648</u>	<u>-</u>	<u>1,216,648</u>
ENTERPRISE FUND:					
Transfer Station Fund	<u>839,188</u>	<u>-</u>	<u>839,188</u>	<u>541,592</u>	<u>297,596</u>
Total Primary Government	<u>\$ 15,453,260</u>	<u>\$ -</u>	<u>\$ 15,453,260</u>	<u>\$ 10,797,007</u>	<u>\$ 4,656,253</u>

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

MARION COUNTY, KANSAS

GENERAL FUNDSTATEMENT 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes -				
Ad valorem property taxes	\$ 2,145,352	\$ 2,124,910	\$ 2,206,621	\$ (81,711)
Back tax collections	18,301	21,338	10,000	11,338
Motor vehicle tax	268,284	244,446	244,703	(257)
Recreational vehicle tax	5,066	4,722	4,898	(176)
16/20M vehicle tax	14,607	19,432	16,437	2,995
M&E slider tax	9,699	11,106	17,167	(6,061)
Payment in lieu of tax	768	-	-	-
Intangible tax	52,189	56,765	51,000	5,765
Severance tax	3,919	2,352	1,500	852
Local Alcoholic Liquor Fund	176	103	4,232	(4,129)
Franchise tax - cable	1,016	1,082	800	282
Antique motor vehicle tax	4,835	5,110	4,000	1,110
Total Taxes	<u>2,524,212</u>	<u>2,491,366</u>	<u>2,561,358</u>	<u>(69,992)</u>
Intergovernmental Revenues -				
Flood control allocation	633	1,266	400	866
Federal owned land entitlement	27,684	28,339	16,446	11,893
FEMA grant - emergency preparedness	6,522	11,228	6,583	4,645
FEMA grant - courthouse	4,015	-	-	-
Homeland security grant - preparedness equipment	138,739	-	-	-
Local sales tax	<u>576,228</u>	<u>600,270</u>	<u>530,000</u>	<u>70,270</u>
Total Intergovernmental Revenues	<u>753,821</u>	<u>641,103</u>	<u>553,429</u>	<u>87,674</u>
Licenses and Fees -				
Driver license fees	3,201	3,234	5,000	(1,766)
Mortgage registration fees	131,929	76,066	90,000	(13,934)
Officer's fees (County officer & recording fees)	34,312	31,955	35,000	(3,045)
Diversions fees	14,103	10,615	-	10,615
Environmental fees	-	-	1,000	(1,000)
Motor vehicle sales collection fees	734	638	-	638
Sports license fees (Game license fees)	321	336	100	236
Planning and zoning fees	1,503	1,490	2,000	(510)
Sheriff department fees	-	-	5,500	(5,500)
Total Licenses and Fees	<u>186,103</u>	<u>124,334</u>	<u>138,600</u>	<u>(14,266)</u>
Use of Money and Property -				
Interest on investments	264,743	150,260	200,000	(49,740)
Interest and charges on delinquent taxes	<u>42,672</u>	<u>42,910</u>	<u>30,000</u>	<u>12,910</u>
Total Use of Money and Property	<u>307,415</u>	<u>193,170</u>	<u>230,000</u>	<u>(36,830)</u>

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

MARION 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)

	2009			Variance- Favorable (Unfavorable)
	2008 Actual	Actual	Budget	
Cash Receipts (cont.)				
Miscellaneous -				
Reimbursed expenses	\$ 105,111	\$ 121,166	\$ 40,000	\$ 81,166
Judicial/reimbursement	-	-	10,000	(10,000)
Miscellaneous	36,454	39,969	17,500	22,469
Fiscal agent fees	10,055	-	-	-
Court fees	237	493	-	493
Sheriff's lake patrol	9,000	9,000	9,000	-
Vehicle interest	1,614	1,952	-	1,952
Special auto close out	79,753	81,294	40,000	41,294
Vehicle rental excise tax	110	71	-	71
Insurance refund	5,652	-	-	-
LEPP	8,603	5,267	7,349	(2,082)
Total Miscellaneous	256,589	259,212	123,849	135,363
Total Cash Receipts	4,028,140	3,709,185	\$ 3,607,236	\$ 101,949
Expenditures				
County Commission -				
Personal services	51,156	51,455	\$ 51,668	\$ 213
Commodities	209	15	500	485
Contractual services	3,720	4,077	7,832	3,755
Capital outlay	-	-	1,000	1,000
Total County Commission	55,085	55,547	61,000	5,453
County Clerk -				
Personal services	123,008	135,892	136,717	825
Commodities	3,052	4,320	5,200	880
Contractual services	7,635	7,800	12,500	4,700
Capital outlay	2,766	3,028	4,000	972
Total County Clerk	136,461	151,040	158,417	7,377
County Treasurer -				
Personal services	158,474	161,317	164,278	2,961
Commodities	1,892	1,834	8,000	6,166
Contractual services	32,614	21,261	17,500	(3,761)
Capital outlay	348	973	2,500	1,527
Total County Treasurer	193,328	185,385	192,278	6,893
County Attorney -				
Personal services	105,167	110,871	109,548	(1,323)
Commodities	2,715	1,912	2,500	588
Contractual services	29,802	24,510	15,000	(9,510)
Capital outlay	3,369	5,251	4,500	(751)
Juvenile detention	5,290	8,965	20,000	11,035
Total County Attorney	146,343	151,509	151,548	39

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

MARION COUNTY, KANSAS

GENERAL FUNDSTATEMENT 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)

	2009			Variance- Favorable (Unfavorable)
	2008 Actual	Actual	Budget	
Expenditures (cont.)				
Register of Deeds -				
Personal services	\$ 59,036	\$ 64,387	\$ 69,599	\$ 5,212
Commodities	1,213	1,515	2,000	485
Contractual services	1,093	1,081	4,527	3,446
Capital outlay	1,804	7,164	2,100	(5,064)
Total Register of Deeds	63,146	74,147	78,226	4,079
Sheriff -				
Personal services	322,227	332,594	335,592	2,998
Commodities	62,715	36,181	73,000	36,819
Contractual services	127,467	95,809	101,400	5,591
Capital outlay	62,985	44,630	24,000	(20,630)
Total Sheriff	575,394	509,214	533,992	24,778
Judicial -				
Commodities	7,241	7,563	8,600	1,037
Contractual services	125,903	117,011	139,877	22,866
Capital outlay	13,111	12,407	-	(12,407)
Total Judicial	146,255	136,981	148,477	11,496
Courthouse General -				
Personal services	45,794	47,283	45,511	(1,772)
Commodities	14,113	20,197	30,000	9,803
Contractual services	284,587	292,735	350,000	57,265
Capital outlay	8,547	95,453	261	(95,192)
Lease purchase - postage machine	9,756	9,756	9,756	-
Lease purchase - bleachers	2,981	-	-	-
Lease purchase - computer system	25,513	25,513	25,513	-
Community corrections	-	-	8,230	8,230
Computer equipment	25,068	24,850	50,000	25,150
Heritage Trust Fund	5,209	3,156	3,000	(156)
Marion County Employees Fund	1,641	1,060	-	(1,060)
E911 surcharge	4,795	5,744	-	(5,744)
Other	15,358	9,265	-	(9,265)
Diversion	14,628	11,250	-	(11,250)
Total Courthouse General	457,990	546,262	522,271	(23,991)

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

MARION 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Expenditures (cont.)				
Planning and Zoning -				
Personal services	\$ 55,035	\$ 53,021	\$ 62,454	\$ 9,433
Commodities	4,444	3,491	3,700	209
Contractual services	17,306	15,590	19,000	3,410
Capital outlay	10,389	6,362	14,270	7,908
Vehicle Replacement	-	-	6,000	6,000
Total Planning and Zoning	87,174	78,464	105,424	26,960
Emergency Preparedness -				
Personal services	20,459	20,381	27,977	7,596
Commodities	3,307	2,446	3,000	554
Contractual services	9,388	11,214	12,000	786
Capital outlay	9,755	10,882	5,000	(5,882)
EMPG Grant	-	-	6,583	6,583
Total Emergency Preparedness	42,909	44,923	54,560	9,637
Communications -				
Personal services	277,071	309,641	332,577	22,936
Commodities	2,210	4,695	5,000	305
Contractual services	12,540	10,642	16,000	5,358
Capital outlay	44,624	10,907	23,750	12,843
Total Communications	336,445	335,885	377,327	41,442
Road & Bridge -				
Sales tax - 80%	222,696	166,531	220,066	53,535
Sales tax - 80% portion to Capital improvement	-	-	203,934	203,934
Transfer to Capital Improvements Fund for:				
Road maintenance & improvements - 3 mill	299,391	305,904	305,904	-
Road maintenance & improvements - 2 mill	197,304	203,934	203,934	-
Road maintenance & improvements - 4 mill	365,120	407,872	407,872	-
Total Road & Bridge	1,084,511	1,084,241	1,341,710	257,469
Economic Development -				
Personal services	51,944	61,979	60,705	(1,274)
Commodities	3,078	2,381	5,000	2,619
Capital outlay	640	5,899	5,000	(899)
Lease purchase - Ford Fusion	4,301	4,301	-	(4,301)
Total Economic Development	59,963	74,560	70,705	(3,855)

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

MARION COUNTY, KANSAS

GENERAL FUNDSTATEMENT 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Expenditures (cont.)				
Sales Tax Other - 20% -				
County fair	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Marion County economic development	8,000	8,000	8,000	-
Other	<u>20,542</u>	<u>32,511</u>	<u>88,000</u>	<u>55,489</u>
Total Sales Tax Other - 20%	<u>38,542</u>	<u>50,511</u>	<u>106,000</u>	<u>55,489</u>
Other -				
Mental health contracts	60,000	62,500	62,500	-
Mentally handicapped contracts	59,500	62,000	62,000	-
County Extension Council appropriation	117,066	121,500	121,500	-
Soil Conservation District	28,790	28,790	28,790	-
Special fair building	39,240	79,841	4,707	(75,134)
Special building	-	-	397,231	397,231
Law enforcement facility	-	-	100,000	100,000
Homeland security grant - preparedness equipment	138,739	-	-	-
Transfer to Risk Management Reserve Fund	<u>49,326</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other	<u>492,661</u>	<u>354,631</u>	<u>776,728</u>	<u>422,097</u>
Total Expenditures	<u>3,916,207</u>	<u>3,833,300</u>	<u>\$ 4,678,663</u>	<u>\$ 845,363</u>
Receipts Over (Under) Expenditures	111,933	(124,115)		
Unencumbered Cash, Beginning	1,660,298	1,790,919		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>18,688</u>	<u>398</u>		
Unencumbered Cash, Ending	<u>\$ 1,790,919</u>	<u>\$ 1,667,202</u>		

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDAMBULANCE FUNDSTATEMENT 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Ad valorem property tax	\$ 145,944	\$ 113,884	\$ 118,387	\$ (4,503)
Back tax collections	1,406	1,414	470	944
Motor vehicle tax	13,174	14,936	16,660	(1,724)
Recreational vehicle tax	267	287	333	(46)
16/20M vehicle tax	1,815	642	1,119	(477)
M&E slider tax	7,708	3,902	1,169	2,733
State grant	10,065	-	-	-
Donations	2,650	3,607	3,150	457
Reimbursed expenses	7,880	4,149	2,500	1,649
Services	368,179	332,500	300,000	32,500
Total Cash Receipts	<u>559,088</u>	<u>475,321</u>	<u>\$ 443,788</u>	<u>\$ 31,533</u>
Expenditures				
Personal services	312,821	278,911	\$ 318,188	\$ 39,277
Commodities	47,401	40,725	72,000	31,275
Contractual services	65,797	56,667	103,000	46,333
Capital outlay	48,764	78,703	44,919	(33,784)
Department vehicles	-	-	9,600	9,600
Ambulance replacement	101,680	-	45,000	45,000
EMT class grants	2,087	-	-	-
Transfer to EMT Class Grants Fund	-	7,348	-	(7,348)
Total Expenditures	<u>578,550</u>	<u>462,354</u>	<u>\$ 592,707</u>	<u>\$ 130,353</u>
Receipts Over (Under) Expenditures	(19,462)	12,967		
Unencumbered Cash, Beginning	<u>218,210</u>	<u>198,748</u>		
Unencumbered Cash, Ending	<u>\$ 198,748</u>	<u>\$ 211,715</u>		

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDAPPRAISER'S COST FUNDSTATEMENT 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Ad valorem property tax	\$ 239,641	\$ 259,882	\$ 269,879	\$ (9,997)
Back tax collections	1,782	2,191	700	1,491
Motor vehicle tax	26,797	26,818	27,342	(524)
Recreational vehicle tax	504	518	547	(29)
16/20M vehicle tax	1,340	1,975	1,837	138
M&E slider tax	-	146	1,918	(1,772)
Reimbursed expenses	4,431	7,698	2,000	5,698
Total Cash Receipts	<u>274,495</u>	<u>299,228</u>	<u>\$ 304,223</u>	<u>\$ (4,995)</u>
Expenditures				
Personal services	206,392	227,630	\$ 236,370	\$ 8,740
Commodities	10,310	7,316	7,500	184
Contractual services	49,971	49,806	63,385	13,579
Capital outlay	6,532	6,526	14,650	8,124
CAMA	-	-	24,730	24,730
Total Expenditures	<u>273,205</u>	<u>291,278</u>	<u>\$ 346,635</u>	<u>\$ 55,357</u>
Receipts Over (Under) Expenditures	1,290	7,950		
Unencumbered Cash, Beginning	20,563	21,904		
Adjustment to Unencumbered Cash for Prior Year Canceled Encumbrances	<u>51</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 21,904</u>	<u>\$ 29,854</u>		

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDE911 FUNDSTATEMENT 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Surcharges	\$ 47,804	\$ 43,181	\$ 57,000	\$ (13,819)
Reimbursed expenses	-	8,548	-	8,548
Miscellaneous	1,369	1,315	-	1,315
Total Cash Receipts	<u>49,173</u>	<u>53,044</u>	<u>\$ 57,000</u>	<u>\$ (3,956)</u>
Expenditures				
Commodities	-	10	\$ 1,000	\$ 990
Contractual services	25,601	40,124	36,000	(4,124)
Capital outlay	-	-	123,910	123,910
Total Expenditures	<u>25,601</u>	<u>40,134</u>	<u>\$ 160,910</u>	<u>\$ 120,776</u>
Receipts Over (Under) Expenditures	23,572	12,910		
Unencumbered Cash, Beginning	<u>83,910</u>	<u>107,482</u>		
Unencumbered Cash, Ending	<u>\$ 107,482</u>	<u>\$ 120,392</u>		

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDE911 CELL SURCHARGE FUNDSTATEMENT 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Surcharges	\$ 22,650	\$ 20,661	\$ 25,000	\$ (4,339)
Reimbursed expenses	404	4,705	-	4,705
State grant	-	26,366	-	26,366
Total Cash Receipts	<u>23,054</u>	<u>51,732</u>	<u>\$ 25,000</u>	<u>\$ 26,732</u>
Expenditures				
Contractual services	<u>14,893</u>	<u>30,682</u>	<u>\$ 75,139</u>	<u>\$ 44,457</u>
Receipts Over (Under) Expenditures	8,161	21,050		
Unencumbered Cash, Beginning	<u>25,139</u>	<u>33,300</u>		
Unencumbered Cash, Ending	<u>\$ 33,300</u>	<u>\$ 54,350</u>		

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDAGING FUNDSTATEMENT 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Ad valorem property tax	\$ 81,468	\$ 85,675	\$ 89,015	\$ (3,340)
Back tax collections	558	704	300	404
Motor vehicle tax	7,709	8,813	9,303	(490)
Recreational vehicle tax	146	170	186	(16)
16/20M vehicle tax	453	549	625	(76)
M&E slider tax	-	66	653	(587)
Donations and reimbursed expenses	2,820	2,385	3,500	(1,115)
Total Cash Receipts	93,154	98,362	\$ 103,582	\$ (5,220)
Expenditures				
Personal services	50,157	56,669	\$ 57,038	\$ 369
Commodities	2,252	1,542	3,850	2,308
Contractual services	24,117	28,543	21,640	(6,903)
Capital outlay	4,368	5,256	23,873	18,617
Local Match Senior Center	-	-	3,222	3,222
Vehicle replacement	-	-	8,000	8,000
North Central Flint Hill	-	-	2,988	2,988
Total Expenditures	80,894	92,010	\$ 120,611	\$ 28,601
Receipts Over (Under) Expenditures	12,260	6,352		
Unencumbered Cash, Beginning	6,544	18,804		
Unencumbered Cash, Ending	\$ 18,804	\$ 25,156		

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDELECTION FUNDSTATEMENT 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Ad valorem property tax	\$ 83,426	\$ 51,374	\$ 53,422	\$ (2,048)
Back tax collections	556	767	400	367
Motor vehicle tax	9,677	9,361	9,521	(160)
Recreational vehicle tax	183	181	191	(10)
16/20M vehicle tax	539	697	640	57
M&E slider tax	237	863	668	195
Reimbursed expenses	4,978	24	1,500	(1,476)
Total Cash Receipts	99,596	63,267	\$ 66,342	\$ (3,075)
Expenditures				
Personal services	30,112	29,915	\$ 31,023	\$ 1,108
Commodities	2,144	576	6,000	5,424
Contractual services	52,650	19,207	40,000	20,793
Capital outlay	815	440	65,000	64,560
Total Expenditures	85,721	50,138	\$ 142,023	\$ 91,885
Receipts Over (Under) Expenditures	13,875	13,129		
Unencumbered Cash, Beginning	75,222	89,097		
Unencumbered Cash, Ending	\$ 89,097	\$ 102,226		

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDEMPLOYEE BENEFITS FUNDSTATEMENT 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Ad valorem property tax	\$ 827,681	\$ 896,924	\$ 931,375	\$ (34,451)
Back tax collections	6,449	7,579	3,000	4,579
Motor vehicle tax	87,161	90,644	94,413	(3,769)
Recreational vehicle tax	1,663	1,748	1,890	(142)
16/20M vehicle tax	5,757	6,025	6,342	(317)
M&E slider tax	4,782	3,382	6,623	(3,241)
Reimbursed expenses	31,714	41,999	32,000	9,999
Transfer Station reimbursement	21,185	11,659	-	11,659
Total Cash Receipts	986,392	1,059,960	\$ 1,075,643	\$ (15,683)
Expenditures				
Payments to KPERs	144,556	154,617	\$ 195,000	\$ 40,383
Payment to Social Security	227,658	231,345	265,000	33,655
Payment of unemployment compensation	7,541	8,834	11,000	2,166
Workers' compensation insurance	144,243	113,208	155,000	41,792
Medical spending account	14,647	18,184	15,000	(3,184)
Dependent care	2,970	5,010	5,000	(10)
Payment of medical insurance	489,165	478,801	650,000	171,199
Payment of County Extension Council benefits	4,500	4,500	4,500	-
Total Expenditures	1,035,280	1,014,499	\$ 1,300,500	\$ 286,001
Receipts Over (Under) Expenditures	(48,888)	45,461		
Unencumbered Cash, Beginning	313,255	264,367		
Unencumbered Cash, Ending	<u>\$ 264,367</u>	<u>\$ 309,828</u>		

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDHEALTH FUNDSTATEMENT 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Ad valorem property tax	\$ 91,525	\$ 90,476	\$ 93,993	\$ (3,517)
Back tax collections	795	899	300	599
Motor vehicle tax	11,083	10,269	10,440	(171)
Recreational vehicle tax	211	198	209	(11)
16/20M vehicle tax	737	765	701	64
M&E slider tax	1,387	840	732	108
Receipts from State of Kansas -				
Immunization grants	2,768	2,748	2,768	(20)
Child Health grant	9,707	9,241	7,989	1,252
General Health services -				
Formula grant	9,399	9,027	9,285	(258)
W.I.C. grant	42,768	44,074	25,700	18,374
Child Care Facility License grant	5,349	4,892	5,000	(108)
Bioterrorism grant	24,184	13,173	18,000	(4,827)
Title XIX	6,041	4,616	3,000	1,616
Special Ed/School contract	5,500	5,650	5,500	150
Service fees and miscellaneous	32,119	17,019	47,258	(30,239)
Medicare, BC/BS reimbursement	35,213	53,050	8,000	45,050
Kansas Safekids Coalition	5,971	9,804	2,000	7,804
Kansas Health Foundation				
Education grant	1,000	743	1,000	(257)
CECHI	-	15,404	-	15,404
Total Cash Receipts	<u>285,757</u>	<u>292,888</u>	<u>\$ 241,875</u>	<u>\$ 51,013</u>
Expenditures				
Health Services -				
Personal services	109,073	125,598	\$ 147,735	\$ 22,137
Commodities	16,370	8,213	15,443	7,230
Contractual services	58,088	59,919	70,297	10,378
Capital outlay	22,189	263	77,996	77,733
W.I.C.	32,536	26,544	-	(26,544)
Total Health Services	<u>238,256</u>	<u>220,537</u>	<u>311,471</u>	<u>90,934</u>

MARION COUNTY, KANSAS

SPECIAL REVENUE FUND

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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Expenditures (cont.)				
Bioterrorism grant expense	\$ 16,290	\$ 30,723	\$ 4,000	\$ (26,723)
Total Expenditures	<u>254,546</u>	<u>251,260</u>	<u>\$ 315,471</u>	<u>\$ 64,211</u>
Receipts Over (Under) Expenditures	31,211	41,628		
Unencumbered Cash, Beginning	68,025	99,236		
Adjustment to Unencumbered Cash for Prior Year Canceled Encumbrances	<u>-</u>	<u>639</u>		
Unencumbered Cash, Ending	<u>\$ 99,236</u>	<u>\$ 141,503</u>		

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDHEALTH - MORRIS COUNTY W.I.C. FUNDSTATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended December 31, 2009

(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	<u>2008 Actual</u>	<u>2009 Actual</u>
Cash Receipts		
State of Kansas - W.I.C.	\$ 13,511	\$ 18,029
Expenditures		
Contractual services	<u>13,511</u>	<u>16,823</u>
Receipts Over (Under) Expenditures	-	1,206
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 1,206</u>

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDNOXIOUS WEED FUNDSTATEMENT 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Ad valorem property tax	\$ 78,070	\$ 53,827	\$ 55,634	\$ (1,807)
Back tax collections	800	851	500	351
Motor vehicle tax	11,885	9,257	8,910	347
Recreational vehicle tax	225	179	178	1
16/20M vehicle tax	677	852	598	254
M&E slider tax	1,600	1,270	625	645
Reimbursements for sale of chemicals	53,581	59,905	50,000	9,905
Total Cash Receipts	146,838	126,141	\$ 116,445	\$ 9,696
Expenditures				
Personal services	42,373	43,532	\$ 49,117	\$ 5,585
Commodities	79,828	99,865	122,618	22,753
Contractual services	7,411	9,721	12,000	2,279
Capital outlay	487	1,719	1,000	(719)
Transfer to Noxious Weed Capital Outlay Fund	-	10,000	5,000	(5,000)
Total Expenditures	130,099	164,837	\$ 189,735	\$ 24,898
Receipts Over (Under) Expenditures	16,739	(38,696)		
Unencumbered Cash, Beginning	63,769	80,508		
Unencumbered Cash, Ending	\$ 80,508	\$ 41,812		

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDNOXIOUS WEED CAPITAL OUTLAY 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)

	<u>2008 Actual</u>	<u>2009</u>		<u>Variance- Favorable (Unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfer from Noxious Weed Fund	\$ -	\$ 10,000	\$ <u>5,000</u>	\$ <u>5,000</u>
Expenditures				
Capital outlay	-	-	\$ <u>35,390</u>	\$ <u>35,390</u>
Receipts Over (Under) Expenditures	-	10,000		
Unencumbered Cash, Beginning	<u>25,390</u>	<u>25,390</u>		
Unencumbered Cash, Ending	\$ <u>25,390</u>	\$ <u>35,390</u>		

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDPARK FUNDSTATEMENT 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Ad valorem property tax	\$ 85,078	\$ 87,635	\$ 91,093	\$ (3,458)
Back tax collections	460	708	250	458
Motor vehicle tax	7,934	9,197	9,712	(515)
Recreational vehicle tax	150	177	194	(17)
16/20M vehicle tax	445	571	652	(81)
M&E vehicle tax	-	38	681	(643)
Local Alcoholic Liquor Fund	176	103	350	(247)
County permits	101,447	108,284	78,000	30,284
Fishing fees	25,177	25,177	25,177	-
Reimbursed expenses	1,995	9,314	500	8,814
Total Cash Receipts	<u>222,862</u>	<u>241,204</u>	<u>\$ 206,609</u>	<u>\$ 34,595</u>
Expenditures				
Personal services	69,907	74,073	\$ 75,364	\$ 1,291
Commodities	12,986	12,727	13,500	773
Contractual services	78,202	86,789	80,076	(6,713)
Capital outlay	47,492	41,491	53,097	11,606
Total Expenditures	<u>208,587</u>	<u>215,080</u>	<u>\$ 222,037</u>	<u>\$ 6,957</u>
Receipts Over (Under) Expenditures	14,275	26,124		
Unencumbered Cash, Beginning	16,207	41,482		
Adjustment to Unencumbered Cash for Prior Year Canceled Encumbrances	<u>11,000</u>	<u>647</u>		
Unencumbered Cash, Ending	<u>\$ 41,482</u>	<u>\$ 68,253</u>		

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDREGISTER OF DEEDS TECHNOLOGY FUNDSTATEMENT 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Fees	\$ 17,180	\$ 15,422	\$ 25,000	\$ (9,578)
Expenditures				
Capital outlay	<u>26,175</u>	<u>46,857</u>	<u>\$ 106,051</u>	<u>\$ 59,194</u>
Receipts Over (Under) Expenditures	(8,995)	(31,435)		
Unencumbered Cash, Beginning	<u>56,051</u>	<u>47,056</u>		
Unencumbered Cash, Ending	<u>\$ 47,056</u>	<u>\$ 15,621</u>		

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDRISK MANAGEMENT RESERVE FUNDSTATEMENT 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Transfer from General Fund	\$ 49,326	\$ -	\$ -	\$ -
Expenditures				
Contractual services	50,000	5,529	\$ 157,671	\$ 152,142
WRAPS	-	-	30,000	30,000
Total Expenditures	<u>50,000</u>	<u>5,529</u>	<u>\$ 187,671</u>	<u>\$ 182,142</u>
Receipts Over (Under) Expenditures	(674)	(5,529)		
Unencumbered Cash, Beginning	<u>288,345</u>	<u>287,671</u>		
Unencumbered Cash, Ending	<u>\$ 287,671</u>	<u>\$ 282,142</u>		

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDROAD AND BRIDGE FUNDSTATEMENT 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Ad valorem property tax	\$ 1,654,480	\$ 2,047,987	\$ 2,126,183	\$ (78,196)
Back tax collections	13,381	16,085	9,199	6,886
Motor vehicle tax	200,451	185,645	188,720	(3,075)
Recreational vehicle tax	3,825	3,584	3,778	(194)
16/20M vehicle tax	13,323	13,833	12,676	1,157
M&E slider tax	25,132	8,295	13,239	(4,944)
Special street and highway	655,301	588,155	669,362	(81,207)
FEMA reimbursements from cities	14,945	141,036	-	141,036
FEMA grant reimbursement	8,185	-	-	-
Reimbursed expenses	86,811	19,982	15,000	4,982
KDOT highway & bridge	108	-	-	-
Flood control allocation	211	422	250	172
Miscellaneous	9,536	-	-	-
Fuel reimbursement	-	56,712	75,000	(18,288)
Total Cash Receipts	2,685,689	3,081,736	\$ 3,113,407	\$ (31,671)
Expenditures				
Administration -				
Personal services	86,124	92,322	\$ 127,881	\$ 35,559
Commodities	1,159	2,158	5,000	2,842
Contractual services	84,869	83,906	113,000	29,094
Capital outlay	21,630	260	5,000	4,740
Lease purchase - Grader 12H	1,255	-	-	-
Lease purchase - Grader 120M	1,455	-	-	-
Total Administration	196,492	178,646	250,881	72,235
Blacktop Roads -				
Personal services	156,271	174,368	191,497	17,129
Commodities	32,382	630,548	660,216	29,668
Total Blacktop Roads	188,653	804,916	851,713	46,797

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

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDROAD AND BRIDGE FUNDSTATEMENT 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Expenditures (cont.)				
Gravel Roads -				
Personal services	\$ 404,533	\$ 425,461	\$ 445,318	\$ 19,857
Commodities	547,540	636,127	525,000	(111,127)
Total Gravel Roads	952,073	1,061,588	970,318	(91,270)
Bridge Construction -				
Commodities	104,171	80,481	220,000	139,519
Maintenance Shop -				
Personal services	145,739	133,569	173,001	39,432
Commodities	665,529	190,368	213,089	22,721
Contractual services	44,336	40,267	50,000	9,733
Fuel	-	284,426	488,936	204,510
Total Maintenance Shop	855,604	648,630	925,026	276,396
Transfer to Special Road Machinery and Equipment Fund	235,000	335,000	335,000	-
Total Expenditures	2,531,993	3,109,261	\$ 3,552,938	\$ 443,677
Receipts Over (Under) Expenditures	153,696	(27,525)		
Unencumbered Cash, Beginning	635,636	789,332		
Unencumbered Cash, Ending	\$ 789,332	\$ 761,807		

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDSHERIFF CONCEALED WEAPONS FUNDSTATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended December 31, 2009

(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	<u>2008 Actual</u>	<u>2009 Actual</u>
Cash Receipts		
Fees	\$ 1,440	\$ 2,030
Expenditures		
Commodities	829	-
Contractual services	691	-
Total Expenditures	<u>1,520</u>	<u>-</u>
Receipts Over (Under) Expenditures	(80)	2,030
Unencumbered Cash, Beginning	<u>206</u>	<u>126</u>
Unencumbered Cash, Ending	<u>\$ 126</u>	<u>\$ 2,156</u>

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDSHERIFF DRUG FUNDSTATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended December 31, 2009

(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Drug control payment	\$ -	\$ -	\$ 5,000	\$ (5,000)
Miscellaneous	1,333	92	-	92
Total Cash Receipts	1,333	92	\$ 5,000	\$ (4,908)
Expenditures				
Commodities	84	200	\$ -	\$ (200)
Contractual services	830	291	-	(291)
Capital outlay	-	-	10,006	10,006
Total Expenditures	914	491	\$ 10,006	\$ 9,515
Receipts Over (Under) Expenditures	419	(399)		
Unencumbered Cash, Beginning	6	425		
Unencumbered Cash, Ending	\$ 425	\$ 26		

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDSOLID WASTE FUNDSTATEMENT 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Ad valorem property tax	\$ 64,107	\$ (93)	\$ -	\$ (93)
Back tax collections	589	636	-	636
Motor vehicle tax	7,768	7,193	7,316	(123)
Recreational vehicle tax	148	139	146	(7)
16/20M vehicle tax	516	536	491	45
M&E slider tax	972	-	513	(513)
Household hazardous waste grant	<u>132</u>	<u>365</u>	<u>-</u>	<u>365</u>
Total Cash Receipts	<u>74,232</u>	<u>8,776</u>	<u>\$ 8,466</u>	<u>\$ 310</u>
Expenditures				
Solid Waste Services -				
Contractual services	<u>5,907</u>	<u>16,814</u>	<u>\$ 110,962</u>	<u>\$ 94,148</u>
Household Hazardous Waste -				
Personal services	34,897	38,749	44,925	6,176
Contractual services	15,024	1,027	15,000	13,973
Commodities	2,487	1,339	5,000	3,661
Capital outlay	<u>875</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Household Hazardous Waste	<u>53,283</u>	<u>41,115</u>	<u>64,925</u>	<u>23,810</u>
Total Expenditures	<u>59,190</u>	<u>57,929</u>	<u>\$ 175,887</u>	<u>\$ 117,958</u>
Receipts Over (Under) Expenditures	15,042	(49,153)		
Unencumbered Cash, Beginning	172,462	187,504		
Adjustment to Unencumbered Cash for Prior Year Canceled Encumbrances	<u>-</u>	<u>2,282</u>		
Unencumbered Cash, Ending	<u>\$ 187,504</u>	<u>\$ 140,633</u>		

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

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDSPECIAL ALCOHOL AND DRUG PROGRAM FUNDSTATEMENT 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
State Liquor Fund	\$ 4,061	\$ 4,382	\$ 4,952	\$ (570)
Expenditures				
Alcoholic rehabilitation	7,000	4,156	\$ 5,003	\$ 847
Receipts Over (Under) Expenditures	(2,939)	226		
Unencumbered Cash, Beginning	6,099	3,160		
Unencumbered Cash, Ending	\$ 3,160	\$ 3,386		

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDSPECIAL BRIDGE FUNDSTATEMENT 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Ad valorem property tax	\$ 124,408	\$ 221,231	\$ 229,680	\$ (8,449)
Back tax collections	1,037	1,187	1,400	(213)
Motor vehicle tax	14,579	13,958	14,193	(235)
Recreational vehicle tax	276	269	284	(15)
16/20M vehicle tax	851	1,040	953	87
M&E slider tax	593	-	996	(996)
Reimbursed expenses	2,558	3,076	5,000	(1,924)
Miscellaneous	2,440	3,500	-	3,500
Total Cash Receipts	<u>146,742</u>	<u>244,261</u>	<u>\$ 252,506</u>	<u>\$ (8,245)</u>
Expenditures				
Personal services	97,175	93,530	\$ 95,416	\$ 1,886
Commodities	41,595	84,420	213,295	128,875
Contractual services	8	3	-	(3)
Total Expenditures	<u>138,778</u>	<u>177,953</u>	<u>\$ 308,711</u>	<u>\$ 130,758</u>
Receipts Over (Under) Expenditures	7,964	66,308		
Unencumbered Cash, Beginning	<u>80,023</u>	<u>87,987</u>		
Unencumbered Cash, Ending	<u>\$ 87,987</u>	<u>\$ 154,295</u>		

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDSPECIAL ROAD AND BRIDGE (68-1103) FUNDSTATEMENT 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Ad valorem property tax	\$ 167,523	\$ 185,515	\$ 191,222	\$ (5,707)
Back tax collections	1,055	1,453	900	553
Motor vehicle tax	18,038	18,722	19,038	(316)
Recreational vehicle tax	336	361	381	(20)
16/20M vehicle tax	-	-	1,279	(1,279)
M&E slider tax	-	-	1,336	(1,336)
Total Cash Receipts	<u>186,952</u>	<u>206,051</u>	<u>\$ 214,156</u>	<u>\$ (8,105)</u>
Expenditures				
Commodities	190,998	-	\$ 226,648	\$ 226,648
Contractual services	-	-	117,700	117,700
Total Expenditures	<u>190,998</u>	<u>-</u>	<u>\$ 344,348</u>	<u>\$ 344,348</u>
Receipts Over (Under) Expenditures	(4,046)	206,051		
Unencumbered Cash, Beginning	<u>122,174</u>	<u>118,128</u>		
Unencumbered Cash, Ending	<u>\$ 118,128</u>	<u>\$ 324,179</u>		

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDSPECIAL ROAD MACHINERY AND EQUIPMENT FUNDSTATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended December 31, 2009

(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		2009 Actual	Budget	
Cash Receipts				
Transfer from Road and Bridge Fund	\$ 235,000	\$ 335,000	\$ 335,000	\$ -
Expenditures				
Lease purchase - 1 Caterpillar	36,924	-	\$ -	\$ -
Lease purchase - IHC dump trucks	50,529	50,529	50,529	-
Lease purchase - Grader 12H	16,002	-	-	-
Lease purchase - Grader 120M	13,804	-	-	-
Lease purchase - John Deere Loader	35,188	35,188	-	(35,188)
Purchase of equipment	106,903	217,810	349,508	131,698
Total Expenditures	<u>259,350</u>	<u>303,527</u>	<u>\$ 400,037</u>	<u>\$ 96,510</u>
Receipts Over (Under) Expenditures	(24,350)	31,473		
Unencumbered Cash, Beginning	<u>58,298</u>	<u>33,948</u>		
Unencumbered Cash, Ending	<u>\$ 33,948</u>	<u>\$ 65,421</u>		

MARION COUNTY, KANSAS

SPECIAL REVENUE FUNDEMT CLASS GRANTS FUNDSTATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended December 31, 2009

(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	<u>2008 Actual</u>	<u>2009 Actual</u>
Cash Receipts		
State grant	\$ -	\$ 10,980
Transfer from Ambulance Fund	<u>-</u>	<u>7,348</u>
Total Cash Receipts	<u>-</u>	<u>18,328</u>
Expenditures		
EMT class grants	<u>-</u>	<u>12,613</u>
Receipts Over (Under) Expenditures	-	5,715
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 5,715</u>

MARION COUNTY, KANSAS

DEBT SERVICE FUNDBOND AND INTEREST FUNDSTATEMENT 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)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Ad valorem property tax	\$ 3	\$ -	\$ -	\$ -
Back tax collections	1,383	550	300	250
Motor vehicle tax	5,723	-	-	-
Recreational vehicle tax	132	-	-	-
16/20M vehicle tax	1,767	-	-	-
Transfer from Transfer Station Fund	101,732	104,140	104,140	-
Total Cash Receipts	<u>110,740</u>	<u>104,690</u>	<u>\$ 104,440</u>	<u>\$ 250</u>
Expenditures				
Principal	85,000	90,000	\$ 90,000	\$ -
Interest	16,733	14,140	14,140	-
Commission and postage	-	-	25	25
Cash basis reserve	-	-	22,786	22,786
Total Expenditures	<u>101,733</u>	<u>104,140</u>	<u>\$ 126,951</u>	<u>\$ 22,811</u>
Receipts Over (Under) Expenditures	9,007	550		
Unencumbered Cash, Beginning	<u>22,236</u>	<u>31,243</u>		
Unencumbered Cash, Ending	<u>\$ 31,243</u>	<u>\$ 31,793</u>		

MARION COUNTY, KANSAS

CAPITAL PROJECT FUNDCAPITAL IMPROVEMENTS FUNDSTATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended December 31, 2009

(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
KDOT highway & bridge reimbursement	\$ 432,623	\$ -	\$ -	\$ -
Transfer from General Fund - 3 mill R & B	299,391	305,904	305,904	-
Transfer from General Fund - 2 mill Sales tax	197,304	203,934	203,934	-
Transfer from General Fund - 4 mill	365,120	407,872	407,872	-
Total Cash Receipts	<u>1,294,438</u>	<u>917,710</u>	<u>\$ 917,710</u>	<u>\$ -</u>
Expenditures				
Road project	<u>20,028</u>	<u>-</u>	<u>\$ 1,216,648</u>	<u>\$ 1,216,648</u>
Receipts Over (Under) Expenditures	1,274,410	917,710		
Unencumbered Cash, Beginning	<u>337,123</u>	<u>1,611,533</u>		
Unencumbered Cash, Ending	<u>\$ 1,611,533</u>	<u>\$ 2,529,243</u>		

MARION COUNTY, KANSAS

ENTERPRISE FUNDTRANSFER STATION FUNDSTATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended December 31, 2009

(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	2008 Actual	2009		Variance- Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Solid waste assessment fees	\$ 520,242	\$ 520,400	\$ 500,000	\$ 20,400
Miscellaneous	98,637	59,360	17,000	42,360
Total Cash Receipts	<u>618,879</u>	<u>579,760</u>	<u>\$ 517,000</u>	<u>\$ 62,760</u>
Expenditures				
Personal services	74,446	114,018	\$ 140,480	\$ 26,462
Commodities	17,002	29,825	19,600	(10,225)
Contractual services	388,652	284,714	300,251	15,537
Capital outlay	5,232	8,895	95,234	86,339
Early payoff of bonds	-	-	179,483	179,483
Transfer to Bond and Interest Fund	101,732	104,140	104,140	-
Total Expenditures	<u>587,064</u>	<u>541,592</u>	<u>\$ 839,188</u>	<u>\$ 297,596</u>
Receipts Over (Under) Expenditures	31,815	38,168		
Unencumbered Cash, Beginning	<u>304,322</u>	<u>336,137</u>		
Unencumbered Cash, Ending	<u>\$ 336,137</u>	<u>\$ 374,305</u>		

MARION COUNTY, KANSAS

PRIVATE PURPOSE TRUST FUNDLAW ENFORCEMENT TRUST FUNDSTATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended December 31, 2009

(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	<u>2008 Actual</u>	<u>2009 Actual</u>
Cash Receipts	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>1,903</u>	<u>1,903</u>
Unencumbered Cash, Ending	<u>\$ 1,903</u>	<u>\$ 1,903</u>

MARION COUNTY, KANSAS

PRIVATE PURPOSE TRUST FUNDPROSECUTOR TRAINING ASSISTANCE FUNDSTATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended December 31, 2009

(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

	<u>2008 Actual</u>	<u>2009 Actual</u>
Cash Receipts		
Court fees	\$ 844	\$ 1,210
Expenditures		
Contractual services	<u>1,531</u>	<u>985</u>
Receipts Over (Under) Expenditures	(687)	225
Unencumbered Cash, Beginning	<u>3,797</u>	<u>3,110</u>
Unencumbered Cash, Ending	<u>\$ 3,110</u>	<u>\$ 3,335</u>

MARION COUNTY, KANSAS

AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended December 31, 2009

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Distributable Funds -				
Current tax	\$ 8,878,981	\$ 14,003,955	\$ 15,397,441	\$ 7,485,495
Delinquent personal tax	29,304	50,646	30,293	49,657
Delinquent real estate tax	133,538	193,830	166,958	160,410
Local alcoholic liquor tax	-	4,588	4,588	-
Severance tax	-	4,704	4,704	-
Motor vehicle tax	252,285	1,440,124	1,402,089	290,320
Recreational vehicle tax	4,901	28,211	27,192	5,920
M&E slider tax	-	86,379	86,379	-
Vehicle rental excise tax	-	388	189	199
Transient guest tax	1,486	8,664	4,261	5,889
Flood control	-	4,220	4,220	-
Total Distributable Funds	<u>\$ 9,300,495</u>	<u>\$ 15,825,709</u>	<u>\$ 17,128,314</u>	<u>\$ 7,997,890</u>
State Funds -				
State educational building tax	\$ -	\$ 112,859	\$ 112,859	\$ -
State institutional building tax	-	56,429	56,429	-
State correctional institutions	-	6	6	-
Total State Funds	<u>\$ -</u>	<u>\$ 169,294</u>	<u>\$ 169,294</u>	<u>\$ -</u>
Subdivision Funds -				
Cemetery districts	\$ 51	\$ 67,888	\$ 67,905	\$ 34
Cities	36	2,357,654	2,357,690	-
Drainage districts	52,790	16,410	18,804	50,396
Fire districts	12,675	270,393	273,524	9,544
Hospital districts	-	711,082	711,082	-
Improvement districts	320,394	281,580	256,891	345,083
School districts	1,658	5,345,275	5,345,309	1,624
Townships	-	96,590	96,590	-
Watershed districts	202	52,990	53,060	132
North Central Kansas Library - general	-	79,323	79,323	-
North Central Kansas Library - retirement	-	23,503	23,503	-
Total Subdivision Funds	<u>\$ 387,806</u>	<u>\$ 9,302,688</u>	<u>\$ 9,283,681</u>	<u>\$ 406,813</u>
Other Agency Funds -				
Tax holding account	\$ 45,475	\$ 297,258	\$ 187,553	\$ 155,180
Employees tax holding account	4,432	32,666	14,856	22,242
Fish and game licenses	402	6,499	6,421	480
Unclaimed bequests	17,716	-	-	17,716
Cereal malt beverage - state	-	25	25	-
Micro-loan program	32,624	64,868	53,479	44,013
Pass-thru grant funds	-	1,017,038	1,017,038	-
Stray animal	190	513	200	503
Law Library	1,483	10,149	10,656	976
Total Other Agency Funds	<u>\$ 102,322</u>	<u>\$ 1,429,016</u>	<u>\$ 1,290,228</u>	<u>\$ 241,110</u>
Grand Total Agency Funds	<u>\$ 9,790,623</u>	<u>\$ 26,726,707</u>	<u>\$ 27,871,517</u>	<u>\$ 8,645,813</u>

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

MARION COUNTY, KANSAS

COMPONENT UNITMARION COUNTY EXTENSION COUNCILSTATEMENT OF CASH RECEIPTS AND EXPENDITURES

For Years Ended December 31, 2009 and 2008

	<u>2008</u> <u>Actual</u>	<u>2009</u> <u>Actual</u>
Cash Receipts		
County appropriation	\$ 121,566	\$ 126,000
KSU salary participation	37,211	37,752
Reimbursed services and supplies	2,138	2,166
Interest and miscellaneous income	<u>3,026</u>	<u>844</u>
Total Cash Receipts	<u>163,941</u>	<u>166,761</u>
Expenditures and Transfers		
Audit, printing and treasury bond	2,492	2,584
Telephone	763	693
Postage and supplies	6,348	7,142
Equipment	697	1,863
Miscellaneous	4,156	3,614
Transportation	5,108	4,673
Subsistence	1,365	917
Salaries	119,339	122,871
Social Security and retirement	12,005	12,376
Reimbursed items	<u>1,864</u>	<u>1,672</u>
Total Expenditures and Transfers	<u>154,137</u>	<u>158,406</u>
Receipts Over (Under) Expenditures	9,804	8,355
Unencumbered Cash, Beginning	<u>40,074</u>	<u>49,878</u>
Unencumbered Cash, Ending	<u>\$ 49,878</u>	<u>\$ 58,233</u>

MARION COUNTY, KANSAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2009

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

The County of Marion, Marion, Kansas is a municipal corporation governed by an elected three-member commission. These financial statements present the County of Marion, Marion, Kansas (the primary government) and its component unit. The component unit is included in the County's reporting entity because of the significance of its operational or financial relationship with the County.

Discretely Presented Component Unit. The component unit section of the financial statements includes the financial data of the discretely presented component unit. This component unit is reported separately to emphasize that it is legally separate from the County. The governing body of this component unit is elected.

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

(b) Basis of Presentation - Fund Accounting

The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for separately. Funds are classified into three categories: governmental, fiduciary and proprietary. Within each of these three categories there are one or more fund types. The County uses the following fund types:

Governmental Fund Types

These are the funds through which most governmental functions typically are financed. The funds included in this category are as follows:

General Fund - This fund is established to account for resources devoted to financing the general services that the County performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the County are included in this fund. This fund is charged with all costs of operating the government for which a separate fund has not been established.

Special Revenue Funds - These funds are established to account for the proceeds of specific revenue sources other than special assessments, private purpose trusts or major capital projects that are legally restricted to expenditures for specified purposes.

Debt Service Funds - These funds are established for the purpose of accumulating resources for the payment of interest and principal on long-term general obligation debt other than those payable from Enterprise Funds and Special Assessment Funds.

Capital Project Funds - These funds account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by Proprietary and Permanent Funds.

Proprietary Fund Type

These funds account for operations that are self-supporting through user charges. The funds included in this category are Enterprise Funds.

Enterprise Funds - These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(b) Basis of Presentation - Fund Accounting (cont.)

Fiduciary Fund Types

These funds account for assets held by the County as a trustee or agent for individuals, private organizations and other units of governments. These funds are as follows:

Private Purpose Trust Funds - These funds are used to account for funds that are to be used for expenditures incurred by County employees and for funds held in escrow for other parties.

Agency Funds - These funds are used to account for assets received for, held for, and disbursed to individuals, other State and Local Government unit funds or other governmental or private sector organizations.

(c) Statutory Basis of Accounting

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

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

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

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute) and Debt Service Funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(e) Budgetary Information

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 budget amendments for the year 2009.

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

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

A legal operating budget is not required for Capital Project Funds, Expendable Trust Funds and the following Special Revenue Funds: E911 Fund, E911 Cell Surcharge Fund, Health Fund - Morris County W.I.C., Sheriff Concealed Weapons Fund, Sheriff Drug Fund, Special Road Machinery and Equipment Fund, EMT Class Grants Fund and the Register of Deeds Technology Fund.

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

County Register of Deeds did not report and remit the mortgagee registration fees daily to the County Treasurer as required in K.S.A. 79-3104, however, they are remitted weekly.

The annual state ad valorem tax accounting was not filed by the County Clerk with the state Director of Accounts and Reports as required in K.S.A. 79-2203.

According to K.S.A. 9-1402, the County must obtain pledged securities with enough market value to cover the balance of deposits at each banking institution. At December 31, 2009, deposits were under secured by \$63,705.

3. DEPOSITS AND INVESTMENTS

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, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The County has no other policies that would further limit interest rate risk.

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

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

3. DEPOSITS AND INVESTMENTS (CONT.)

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

At December 31, 2009, the County's carrying amount of deposits was \$16,463,720 and the bank balance was \$16,115,137. The bank balance was held by eight banks resulting in a concentration of credit risk. Of the bank balance, \$1,900,000 was covered by federal depository insurance, \$4,000,000 was covered by federal depository insurance in the Certificate of Deposit Account Registry Service (CDARS), \$10,151,432 was collateralized with securities held by the pledging financial institutions' agents in the County's name, with the remaining \$63,705 unsecured at December 31, 2009.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

4. LONG-TERM DEBT

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bond Series 2002	1.99% 2.25%	12-17-02	\$850,000	10-01-12	\$ 390,000	\$ -	\$ 90,000	\$ (90,000)	\$ 300,000	\$14,140
Capital Leases:										
(2) 2006 IHC Dump Trucks	4.073%	12-27-05	183,090	12-27-09	48,551	-	48,551	(48,551)	-	1,978
i520 Computer System	4.810%	10-16-06	70,545	07-15-09	24,342	-	24,342	(24,342)	-	1,171
John Deere Loader	4.140%	04-16-07	127,045	05-05-11	97,391	-	31,156	(31,156)	66,235	4,032
2007 Ford Fusion	4.240%	09-15-07	15,900	02-15-11	11,881	-	3,796	(3,796)	8,085	505
2010 International Truck	4.050%	02-04-09	86,100	02-01-13	-	86,100	-	86,100	86,100	-
Total Capital Leases					182,165	86,100	107,845	(21,745)	160,420	7,686
Total Contractual Indebtedness					572,165	86,100	197,845	(111,745)	460,420	21,826
Compensated Absences	N/A	N/A	N/A	N/A	181,152	8,047	-	8,047	189,199	-
Landfill Closure and Post Closure Care	N/A	N/A	N/A	N/A	200,900	51,118	-	51,118	252,018	-
Total Long-Term Debt					\$ 954,217	\$145,265	\$ 197,845	\$ (52,580)	\$ 901,637	\$21,826

4. LONG-TERM DEBT (CONT.)

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

	Year				Total
	2010	2011	2012	2013	
PRINCIPAL:					
General Obligation Bond Series 2002	\$ 95,000	\$ 100,000	\$ 105,000	\$ -	\$ 300,000
Capital Leases:					
John Deere Loader	32,446	33,789	-	-	66,235
2007 Ford Fusion	3,958	4,127	-	-	8,085
2010 International Truck	20,266	21,069	21,934	22,831	86,100
Total Capital Leases	56,670	58,985	21,934	22,831	160,420
TOTAL PRINCIPAL	151,670	158,985	126,934	22,831	460,420
INTEREST:					
General Obligation Bond Series 2002	11,170	7,845	4,095	-	23,110
Capital Leases:					
John Deere Loader	2,742	1,399	-	-	4,141
2007 Ford Fusion	343	174	-	-	517
2010 International Truck	3,507	2,703	1,838	940	8,988
Total Capital Leases	6,592	4,276	1,838	940	13,646
TOTAL INTEREST	17,762	12,121	5,933	940	36,756
TOTAL PRINCIPAL AND INTEREST	\$ 169,432	\$ 171,106	\$ 132,867	\$ 23,771	\$ 497,176

5. PENSION COSTS AND EMPLOYEE BENEFITS

(a) Defined Benefit Pension Plan

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

Funding Policy. K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% 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 for calendar year 2009 is 6.54%. (Included in this rate is the contribution for Group Death and Disability Insurance of 1.0% from March 1, 2009 through November 30, 2009). The County employer contributions to KPERs for the years ending December 31, 2009, 2008, and 2007 were \$173,768, \$139,825, and \$121,610, respectively, equal to the required contributions for each year.

(b) Deferred Compensation Plan

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

5. PENSION COSTS AND EMPLOYEE BENEFITS (CONT.)

(c) Other Employee Benefits

Vacation - Vacation leave shall be accrued from the employee's date of employment as stipulated hereinafter. No vacation leave shall be taken until a new employee has completed one year of service.

Each permanent full-time employee will accrue vacation leave as follows:

<u>Years of Service</u>	<u>Per Year</u>
0 to 1 year	5 days
After 2 to 4 years	10 days
After 5 to 14 years	15 days
After 15 years	20 days

Vacation days may be accrued up to a maximum of 20 days. An employee shall be paid for all accumulated unused vacation leave upon termination after one year of employment.

Sick leave - Part-time employees shall not be entitled to paid sick leave. Full-time employees shall earn sick leave at the rate of one (1) day per month beginning at date of employment and may be accumulated to a maximum of 130 days.

An employee may be paid one (1) hour pay for four (4) hours sick leave (25%) over 100 days. A maximum of 12 days sick leave may be exchanged annually on the employees anniversary date.

An employee who is sick shall notify the department head prior to normal working hours. If the department head is not notified, one day of vacation will be charged to the employee. However, exceptions for unusual circumstances will be considered. Twenty percent (20%) of accumulated sick leave shall be paid at the time of termination.

Compensatory time is earned at the discretion of the department head and with approval of the governing body, an employee may be give compensatory time off in lieu of cash payments for overtime worked. Any compensatory time given shall be at the same rate as that given for overtime cash payments. All compensatory time accrued by an employee for overtime worked shall be taken within 90 days from the time it was earned.

(d) Other Post Employment Benefits

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government 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 government under this program.

6. CLAIMS AND JUDGMENTS

The County participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of September 15, 2010, grant expenditures have not been audited, but the County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the County.

6. CLAIMS AND JUDGMENTS (CONT.)

The County is exposed to various risks of loss related to property loss; torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and natural disasters. The County has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2008 to 2009 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations, the County is a party to various claims, legal actions and complaints. It is the opinion of the County's management and legal counsel that these matters are not anticipated to have a material impact on the County.

7. OTHER LIABILITIES AND COMMITMENTS

Operating Leases

The County is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property right or lease obligations and, therefore, the expenditures will be recognized when the lease payments are made.

The following schedule shows the composition of total rental expenditures for all operating leases except those with terms of a month or less that were not renewed:

	Year		
	2010	2011	2012
Minimum rentals:			
(3) 2006 Caterpillar 140H	\$ 50,682	\$ 323,518	\$ -
Postage meter	9,756	9,756	4,878
(1) 2007 Caterpillar 12H	17,457	17,457	108,438
(1) 2007 Caterpillar 120M	15,059	15,059	82,999
Totals	<u>\$ 92,954</u>	<u>\$ 365,790</u>	<u>\$ 196,315</u>

8. INTERFUND TRANSFERS

A summary of operating transfers by fund are as follows:

From	To	Statutory Authority	Amount
General Fund	Capital Improvement Fund	K.S.A. 19-120	\$ 917,710
Road and Bridge Fund	Special Road Machinery and Equipment Fund	K.S.A. 68-141g	335,000
Transfer Station Fund	Bond and Interest Fund	Debt Service	104,140
Noxious Weed Fund	Noxious Weed Capital Outlay Fund	K.S.A. 2-1318	10,000
Ambulance Fund	EMT Class Grants Fund	New Grant Fund	7,348
			<u>\$1,374,198</u>

9. RELATED ORGANIZATIONS

The Board of County Commissioners, by State statute, serves as the governing body of each Fire District established in Marion County. State statutes further provide that the Board of County Commissioners may appoint a board of not less than three members to serve as the governing body of such District and such board shall have all the powers vested with the Board of County Commissioners. Marion County has established seven separate Fire Districts organized under the provisions of the state statutes discussed above, with all being defined as separate taxing entities. These Fire Districts provide fire protection services principally to the unincorporated areas of the County. The costs of providing such services are provided from property tax assessed to the property owners within the benefit District and such levies are established and levied by the respective Fire District Boards. The Fire Districts Boards also have the authority to issue general obligation bonds, which are secured by the full faith and credit of the Fire District.

10. JOINT VENTURE

Marion County has entered into an interlocal agreement with Harvey and McPherson counties for the purpose of coordinating solid waste planning in the region. The main purpose is to provide a cost effective, integrated solid waste plan which meets the needs of the aforementioned counties. This authority is constituted, created and established as an intergovernmental contractual association of the parties to this agreement pursuant to the laws of the State of Kansas. The authority hereby created is the Central Kansas Regional Solid Waste Authority. Marion County has contributed a total of \$20,000 to date to help fund operations of the authority.

11. POST-CLOSURE CARE COST

State and federal laws and regulations require that the County place a final cover on its landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill discontinues accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expenditure in the year these costs are incurred. Currently, the County has closed their landfill, placed the final cover over all the contents and is disposing of their solid waste through a transfer station. They will continue to perform certain maintenance and monitoring functions at least 27 years into the future.

The estimated total current cost of the landfill closure and post-closure care of \$252,018 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2009. However, the actual cost of post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. It is anticipated that future inflation costs and additional costs that might arise from changes in post closure requirements (due to changes in technology or more rigorous regulations, for example) may need to be covered by taxpayers.

12. SUBSEQUENT EVENT

The Commission approved on March 31, 2010, the lease purchase agreement with Community National Bank, Burns for a 2010 Bobcat skid steer with fork attachment. The lease purchase agreement is for three years with an interest rate of 3.32% for a loan amount of \$20,612.

MARION COUNTY, KANSAS

OTHER SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2009

MARION COUNTY, KANSAS

DETAILED RECEIPTS, DISBURSEMENTS AND BALANCES - AGENCY FUNDS
For the Year Ended December 31, 2009

COUNTY TREASURER

Cash Balance, January 1		\$	94,832
Cash Receipts:			
Auto fees	\$ 1,060,263		
Property tax collections	1,482,014		
Sales tax fees	226,038		
Lienholder fees	1,587		
Drivers license fees	25,639		
Dealer fees	350		
North Central District meeting	605		
Miscellaneous	<u>1,572</u>		2,798,068
Cash Disbursements:			
Refunds	32,220		
Paid to the State	964,185		
Paid to the County - property taxes	1,458,034		
Paid to the County - special auto fees	81,294		
Paid to the County - drivers license fees	3,234		
Sales taxes	226,038		
Special auto compensation	10,299		
Special auto Social Security	844		
Special auto KPERS	540		
Supplies	8,653		
Meeting expenses	7,072		
Telephone	335		
North Central District meeting	557		
Miscellaneous	<u>1,680</u>		<u>(2,794,985)</u>
Cash Balance, December 31		\$	<u>97,915</u>
Cash in Bank		\$	<u>97,915</u>

MARION COUNTY, KANSAS

DETAILED RECEIPTS, DISBURSEMENTS AND BALANCES - AGENCY FUNDS
For the Year Ended December 31, 2009

COUNTY CLERK

Cash Balance, January 1		\$	-
Cash Receipts:			
Cereal malt beverage licenses	\$	150	
Fish and game licenses		6,478	
Sport fees		336	
Candidates filing fees		265	
Moving permits		150	
Neighborhood Revitalization		<u>900</u>	8,279
Cash Disbursements:			
Payments to County Treasurer			<u>(8,279)</u>
Cash Balance, December 31		\$	<u>-</u>
Cash on Hand		\$	<u>-</u>

MARION COUNTY, KANSAS

DETAILED RECEIPTS, DISBURSEMENTS AND BALANCES - AGENCY FUNDS

For the Year Ended December 31, 2009

REGISTER OF DEEDS

Cash Balance, January 1		\$	-
Cash Receipts:			
Mortgage registration fees	\$	71,835	
Recording fees		26,564	
Technology fees		<u>14,900</u>	113,299
Cash Disbursements:			
Payments to County Treasurer, State and others			<u>(113,299)</u>
Cash Balance, December 31		\$	<u>-</u>
Cash in Bank		\$	<u>-</u>

MARION COUNTY, KANSAS

DETAILED RECEIPTS, DISBURSEMENTS AND BALANCES - AGENCY FUNDS
For the Year Ended December 31, 2009

DISTRICT COURT

Cash Balance, January 1		\$	32,973
Cash Receipts:			
Fines	\$	73,709	
PATF		1,168	
IDSF		434	
Indigent Defense Fee		2,156	
Law Library		10,307	
Clerk fees		95,377	
LETC		12,620	
Judicial Branch Surcharge		8,101	
Marriage licenses		3,009	
Judgment and restitution		38,991	
Appearance bonds		18,523	
ADSAP		1,200	
Attorney fees		22,565	
Interest		77	
Reinstatement fees		2,143	
Diversion fees		445	
KBI lab fees		4,181	
Miscellaneous fees		<u>199,799</u>	494,805
Cash Disbursements:			
Payments to County and State Treasurer		215,245	
Payments to others		<u>296,940</u>	(512,185)
Cash Balance, December 31			\$ <u>15,593</u>
Cash in Bank			\$ <u>15,593</u>

MARION COUNTY, KANSAS

DETAILED RECEIPTS, DISBURSEMENTS AND BALANCES - AGENCY FUNDS
For the Year Ended December 31, 2009

SHERIFF

Cash Balance, January 1		\$	-
Cash Receipts:			
Bonds	\$	14,120	
Delinquent personal property tax collections		40,629	
Miscellaneous fees		<u>10,219</u>	64,968
Cash Disbursements:			
Payments to County Treasurer		50,431	
Payments to others		<u>14,537</u>	<u>(64,968)</u>
Cash Balance, December 31		\$	<u>-</u>
Cash in Bank		\$	<u>-</u>

MARION COUNTY, KANSAS

DETAILED RECEIPTS, DISBURSEMENTS AND BALANCES - AGENCY FUNDS
For the Year Ended December 31, 2009

AMBULANCE

Cash Balance, January 1		\$	-
Cash Receipts:			
Ambulance runs	\$	332,500	
Miscellaneous reimbursements		<u>4,149</u>	336,649
Cash Disbursements:			
Payments to County Treasurer			<u>(336,649)</u>
Cash Balance, December 31		\$	<u>-</u>
Cash on Hand		\$	<u>-</u>

MARION COUNTY, KANSAS

DETAILED RECEIPTS, DISBURSEMENTS AND BALANCES - AGENCY FUNDS

For the Year Ended December 31, 2009

COUNTY ENGINEER

Cash Balance, January 1	\$ -
Cash Receipts:	
Cash and charge sales	812,462
Cash Disbursements:	
Payments to County Treasurer	<u>(812,462)</u>
Cash Balance, December 31	<u>\$ -</u>
Cash on Hand	<u>\$ -</u>

MARION COUNTY, KANSAS

DETAILED RECEIPTS, DISBURSEMENTS AND BALANCES - AGENCY FUNDS
For the Year Ended December 31, 2009

COUNTY APPRAISER

Cash Balance, January 1	\$	61
Cash Receipts:		
Copies, maps, etc.		3,690
Cash Disbursements:		
Payments to County Treasurer		<u>(3,751)</u>
Cash Balance, December 31	\$	<u>-</u>
Cash on Hand	\$	<u>-</u>

MARION COUNTY, KANSAS

DETAILED RECEIPTS, DISBURSEMENTS AND BALANCES - AGENCY FUNDS
For the Year Ended December 31, 2009

NOXIOUS WEED SUPERVISOR

Cash Balance, January 1	\$ -
Cash Receipts:	
Sales of chemical, equipment rental and labor	59,905
Cash Disbursements:	
Payments to County Treasurer	<u>(59,905)</u>
Cash Balance, December 31	\$ <u> -</u>
Cash on Hand	\$ <u> -</u>

MARION COUNTY, KANSAS

DETAILED RECEIPTS, DISBURSEMENTS AND BALANCES - AGENCY FUNDS

For the Year Ended December 31, 2009

HEALTH DEPARTMENT

Cash Balance, January 1		\$	48
Cash Receipts:			
Through State of Kansas			
W.I.C. grant	\$	44,074	
State Formula grant		9,027	
Child Care Facility License grant		4,892	
Maternal and Child Health grant		9,241	
Immunization grants		2,748	
Bioterrorism		13,173	
Title XIX reimbursements		4,616	
Medicare and Blue Cross Blue Shield reimbursements		53,050	
School contracts		5,650	
Health Foundation grant		743	
Kansas Safekids Coalition		9,804	
Service fees		36,301	
CECHI grant		<u>15,404</u>	208,723
Cash Disbursements:			
Payments to County Treasurer			<u>(208,723)</u>
Cash Balance, December 31		\$	<u>48</u>
Cash on Hand		\$	<u>48</u>

MARION COUNTY, KANSAS

DETAILED RECEIPTS, DISBURSEMENTS AND BALANCES - AGENCY FUNDS

For the Year Ended December 31, 2009

SENIOR TRANSPORTATION SERVICE

Cash Balance, January 1	\$ -
Cash Receipts:	
Bus service donations and reimbursements	2,393
Cash Disbursements:	
Payments to County Treasurer	<u>(2,393)</u>
Cash Balance, December 31	<u>\$ -</u>
Cash on Hand	<u>\$ -</u>

MARION COUNTY, KANSAS

DETAILED RECEIPTS, DISBURSEMENTS AND BALANCES - AGENCY FUNDS
For the Year Ended December 31, 2009

COUNTY ATTORNEY

Cash Balance, January 1		\$	7,517
Cash Receipts:			
Diversion fees	\$	29,208	
Bad check fees		<u>30,979</u>	60,187
Cash Disbursements:			
Payments to Clerk of District Court		23,086	
Payments to County Treasurer		12,551	
Payments to others		<u>24,882</u>	<u>(60,519)</u>
Cash Balance, December 31		\$	<u>7,185</u>
Cash on Hand		\$	<u>7,185</u>

MARION COUNTY, KANSAS

DETAILED RECEIPTS, DISBURSEMENTS AND BALANCES - AGENCY FUNDS
For the Year Ended December 31, 2009

PLANNING AND ZONING

Cash Balance, January 1		\$	-
Cash Receipts:			
Zoning fees	\$	1,515	
LEPP grant		5,347	
Environmental fees		<u>655</u>	7,517
Cash Disbursements:			
Payments to County Treasurer			<u>7,517</u>
Cash Balance, December 31		\$	<u>-</u>
Cash on Hand		\$	<u>-</u>

MARION COUNTY, KANSAS

DETAILED RECEIPTS, DISBURSEMENTS AND BALANCES - AGENCY FUNDS
For the Year Ended December 31, 2009

COUNTY LAKE

Cash Balance, January 1		\$	75
Cash Receipts:			
Community Fishers Association Program	\$	25,177	
County park permits		<u>105,999</u>	131,176
Cash Disbursements:			
Payments to County Treasurer			<u>(131,065)</u>
Cash Balance, December 31		\$	<u>186</u>
Cash on Hand		\$	<u>186</u>

MARION COUNTY, KANSAS

DETAILED RECEIPTS, DISBURSEMENTS AND BALANCES - AGENCY FUNDS

For the Year Ended December 31, 2009

ECONOMIC DEVELOPMENT

Cash Balance, January 1		\$	5,835
Cash Receipts:			
County appropriation	\$	8,000	
Leadership dues		875	
Symphony Fees		9,971	
State of Kansas Cultural Arts		4,000	
Miscellaneous		1,448	24,294
			<u>24,294</u>
Cash Disbursements:			
Payments to others			<u>(21,395)</u>
Cash Balance, December 31		\$	<u>8,734</u>
Cash on Hand		\$	<u>8,734</u>

MARION COUNTY, KANSAS

RECONCILIATION OF 2008 TAX ROLL

December 31, 2009

2008 Tax Roll - As Adjusted

County Clerk's abstract of 2008 tax roll		\$ 15,711,899
Adjustments to original tax roll:		
Added taxes	\$ 26,525	
Abated taxes	(112,257)	(85,732)
		<u>15,626,167</u>

2008 Tax Roll - Accounted For

Collections during - 2008 and 2009		15,415,609
Neighborhood revitalization refunds		(159,143)
Add (deduct) refunds and cancellations - 2008 and 2009		<u>-</u>
Net tax roll collections		15,256,466
Delinquent personal property taxes for which tax warrants were issued		54,958
Delinquent real estate taxes entered on the tax sale record		<u>312,148</u>
2008 tax roll accounted for		<u>15,623,572</u>
Difference	\$	<u>(2,595)</u>

MARION COUNTY, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2009

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Pass-through program from Kansas Department of Health and Environment			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		\$ 43,684
Rural Business Enterprise Grant	10.769		<u>35,000</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>78,684</u>
<u>U.S. Department of Defense</u>			
Pass-through program from Kansas Department of Administration			
Flood Control Projects	12.106		<u>4,220</u>
<u>U.S. Department of the Interior</u>			
Payments in Lieu of Taxes	15.226		<u>28,339</u>
<u>U.S. Department of Health and Human Services</u>			
Pass-through program from Kansas Department of Health and Environment			
Bioterrorism Grants	93.069		13,081
Immunization Grants	93.268		1,246
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283		185
Child Care and Development Block Grant	93.575		3,992
Preventative Health and Health Services Block Grant	93.991		3,000
Maternal and Child Health Services Block Grant	93.994		<u>6,305</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>27,809</u>
<u>U.S. Department of Homeland Security</u>			
Pass-through program from Kansas Department of Emergency Management			
Disaster Grants - Public Assistance	97.036		130,649
Emergency Management Performance Grant	97.042		10,882
Pass-through program from Kansas Highway Patrol			
Homeland Security Grant Program	97.067		<u>1,017,038</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>1,158,569</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,297,621</u>

MARION COUNTY, KANSAS

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2009

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Marion County, Kansas and is presented using the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, the same as the financial statements accompanying this schedule. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

NOTE B – PAYMENTS IN LIEU OF TAXES

The United States Department of the Interior authorized an additional payment in lieu of taxes to all eligible counties in 2009 as authorized by the Emergency Economic Stabilization Act. This additional payment is to help the County offset losses in property taxes due to nontaxable Federal land within its boundary.

MARION COUNTY, KANSAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2009

FINDINGS – FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESSES

Number 08-01 Lack of Segregation of Duties

Condition: In order to have ideal segregation of duties, the custody of assets, the authorization of transactions over those assets, and the recording of those transactions should all be performed by separate individuals. In a smaller entity setting, as in the County fee offices, it is very difficult to maintain ideal segregation of duties. We considered this lack of segregation of duties to be a material weakness under standards established by the American Institute of Certified Public Accountants. At a minimum, we recommend the following for the various fee offices:

➤ **Sheriff**

In 2007, the bookkeeper recorded receipts and disbursements, took the deposits to the bank, prepared and signed checks and prepared the monthly bank reconciliations. In 2008, the Sheriff's Department still had the office manager recording receipts and disbursements, taking the deposits to the bank, preparing and signing checks and preparing the monthly bank reconciliations.

Since the office manager records receipts and disbursements, takes the deposits to the bank, prepares and signs checks and prepares the monthly bank reconciliations, we recommend that someone else in the Sheriff's office review the monthly bank reconciliations. We also recommend that both the preparer of the bank reconciliations and the reviewer sign and date the reconciliations to evidence their approval of the accuracy and timely completion of the bank reconciliations. We further recommend that someone other than the preparer of the deposit take the deposit to the bank. The individual taking the deposit to the bank should initial the deposit slip.

Criteria: The segregation of incompatible duties means that no employee should be in a position to both commit an irregularity and conceal it. An Elected Official's Guide to Internal Controls and Fraud Prevention states that "ideally, no single individual should be able to:

- a) *authorize* a transaction;
- b) *record* the transaction; and
- c) ensure custody of the asset resulting from the transaction.

MARION COUNTY, KANSAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2009

In practice, duties can be segregated by individuals within a department. For example, the segregation of incompatible duties could be integrated into the policies and procedures governing disbursements, receipts and bank statement reconciliation processes as follow; one individual is responsible for preparing disbursements, while another individual is responsible for recording disbursements; one individual is responsible for receiving and another individual is responsible for recording receipts; one individual is responsible for reconciling the bank statements, while another individual is responsible for reviewing and approving the monthly reconciliations.

The Yellow Book (the U.S. General Accountability Office's publication *Government Auditing Standards*) includes absence of appropriate segregation of duties consistent with appropriate control objectives as an example of a matter that is a significant deficiency.

Effect: Lack of segregation of duties aids in the possibility that errors and irregularities whether caused by fraud or human error will not be detected.

Cause: Due to the limited staff in the County fee offices, segregation of duties has not been possible in an ideal internal control structure. At this time, we feel it would be cost prohibitive to increase staff in the County fee offices sufficiently to rectify this situation. Current office staff and the County Commissioners should however, continually review the opportunity to implement segregation of duties that will enhance the internal control structure at a minimal cost to the County.

Recommendation: We recommend that the fee office staff continually review their procedures for opportunities to increase the segregation of duties in the office as well as the overall internal controls and oversight over the accounting functions in the office. We recommend the County Commissioners be aware of the importance of segregating the office duties in order to maintain a good internal control structure that will aid in the prevention and detection of errors and irregularities whether caused by fraud or human error.

Practically speaking, the segregation of incompatible duties could be integrated into the policies and procedures governing disbursements, receipts and bank statement reconciliation processes as follows; one individual is responsible for preparing disbursements, while another individual is responsible for recording disbursements; one individual is responsible for receiving and another individual is responsible for recording receipts; one individual is responsible for reconciling the bank statements, while another individual is responsible for reviewing and approving the monthly reconciliations.

Since the County fee offices are limited on the number of individuals available to segregate these duties, the County may need to get creative by involving certain members of the governing body or part time staff. Within the constraints of available resources, management should attempt to logically segregate duties among people or processes to mitigate risks and meet their financial reporting objectives.

Status: We continue to consider this lack of segregation of duties to be a condition for the year ended December 31, 2009. See current year finding 09-01.

MARION COUNTY, KANSAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2009

Number 08-02

Financial Statement Reporting

Condition:

The County Clerk does not have the skill and knowledge to process all the basic financial transactions and the ability to issue the internal financial statements needed to provide appropriate budget and operating information to the County governing body on an as needed basis. However, based on the below information reflected in the auditing standard SAS 112, it is our professional judgment that the external financial statements could not be prepared by the internal staff of the County without a significant risk of material misstatement.

Criteria:

The County prepares its financial statements in accordance with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, in accordance with the reporting and formatting requirements displayed in the *Kansas Municipal Audit Guide* (KMAG). The excerpt below has been taken directly from the auditing standards we are required to follow as your auditor:

- Statement on Auditing Standards (SAS) No. 112, *Communicating Internal Control Related Matters Identified in an Audit*, indicates that where employees or management lack the qualifications and training to fulfill their assigned functions (e.g., the county treasurer or county clerk is unable to apply GAAP or other comprehensive basis of accounting in recording the entity's financial transactions, preparing its external financial statements or note disclosures required in the applicable presentation, unable to apply all the facets of the *Kansas Municipal Audit Guide* and the requirements associated with this SAS in order to provide financial statements to the external users that are not materially misstated), creates a significant risk that needs to be addressed internally by management. The external auditor cannot be considered a part of the internal control mechanism over the issuance of the external financial statements of the entity, this creates a significant risk that needs to be addressed internally. If this internal risk does not have an appropriate mitigating control in place, this control deficiency will be considered either a significant deficiency or a material weakness. This SAS is applicable to all entities, regardless of their size or structure.

Effect:

Our firm has been asked to prepare the financial statements for the County; however, our firm cannot be considered part of the internal control structure of the County in regard to the preparation of the financial statements. Since, the internal staff responsible for the internal controls over the external accounting and reporting function does not possess the proper expertise to apply those mandated accounting practices when preparing the County's external financial statements, we have considered this lack of expertise to prepare the financial statements a material weakness under the standards established by the American Institute of Certified Public Accountants.

MARION COUNTY, KANSAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2009

Cause: The County Clerk or another designated individual should have an understanding of how the financial statements are assembled and assist the audit firm with any possible missing or incomplete information. It would be to the advantage of the County Clerk and the governing body to obtain the appropriate training and expertise to better understand the preparation and issuance of their external financial statements. However, for the size of your entity, it may be cost prohibitive to secure either the necessary training and expertise or the additional staff to gain the knowledge and expertise necessary to assemble the County's external financial statements.

Recommendation: These external financial statements are a requirement of K.S.A. 75-1122, which mandates an all-funds audit (an audit of all funds of the municipality) under the *Kansas Municipal Audit Guide* (KMAG). KMAG illustrates and demonstrates the appropriate preparation of the external financial statement formatting and guidelines required to be applied to the County's financial transactions, as well as the understanding of the Government Accounting Standards Board (GASB) financial accounting standards applicable to issue your County's external financial statements.

Status: We continue to consider this financial statement reporting to be a condition for the year ended December 31, 2009. See current year finding 09-02.

MARION COUNTY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2009

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Marion County, Kansas.
2. Two significant deficiencies relating to the audit of the financial statements are reported in the 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 Marion County, Kansas, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiency relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award program for Marion County, Kansas expresses an unqualified opinion on the major federal program.
6. Audit findings relative to the major Federal award programs for the Marion County, Kansas that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in Part C of this schedule.
7. The program tested as a major program included: U.S. Department of Homeland Security, Homeland Security Grant program, Federal CFDA Number 97.067.
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. Marion County, Kansas does not qualify as a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCIES

Number 09-01 Segregation of Duties

Condition: Appropriate segregation of duties is achieved when one or more employees or functions acts as a check and balance on the activities of another so that no employee should be in a position to both commit an irregularity and conceal it. Due to resource constraints, these conflicting phases of transactions potentially occur throughout your entity at various times throughout the fiscal year. We considered this lack of segregation of duties to be a significant deficiency under standards established by the American Institute of Certified Public Accountants.

See accompanying Independent Auditor's Report.

MARION COUNTY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2009

- Criteria: No single individual should be able to:
- a) *authorize or execute* a transaction;
 - b) *record* the transaction in the books of account; and
 - c) ensure custody of the asset resulting from the transaction, including the receipt/custody of cash.
- For example, if one person executes a sale/transaction, that person should not record the transaction, handle the cash receipt, have authority for or access to cash receipts records, and reconcile the bank account.
- Effect: Lack of segregation of duties aids in the possibility that errors and irregularities whether caused by fraud or human error will not be detected.
- Cause: Due to the limited staff in the various County offices, segregation of duties has not been possible as required in an ideal internal control structure. At this time, we feel it would be cost prohibitive to increase staff in the various County offices sufficiently to rectify this situation. Current office staff and the County Commission should however, continually review the opportunity to implement segregation of duties that will enhance the internal control structure at a minimal cost to the County.
- Recommendation: We recommend that management and the governing body continually review their daily transactions for potential conflicting phases of a transaction as noted above. Below we have detailed actions that management and the governing body should take to compensate for these conflicting phases that have been identified in your daily transaction process:
- ***Review reports of detail transactions*** – Management and the governing body should review ***detailed*** transactions on a regular and timely basis through appropriate computer reports of the detailed transactions.
 - ***Review selected transactions*** – Management and the governing body should select random transactions for review of supporting documents. These selected transactions should be followed through the entire transaction process from start to finish to ensure that all documented internal controls are working appropriately and are not being overridden by any individual within the entity.
 - ***Take periodic asset counts*** – Management and the governing body should periodically conduct counts of physical inventory, equipment, daily cash drawer receipts or other assets and compare these counts with the appropriate accounting records.

MARION COUNTY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS**For the Year Ended December 31, 2009**

- **Check reconciliations** – Management and the governing body should review reconciliations of account balances such as cash, billing receivables or other liquid assets on a regular basis. The governing body should perform surprise procedures on these reconciliations independently of management at certain times throughout the fiscal year. These surprise procedures should be documented appropriately by the governing body member, including signature and date conducted.

Management
Response:

I concur with the auditor's findings, however, with limited staff, it is not always possible to segregate duties relating to disbursements, receipts and bank statement reconciliation and the recording of the same. I believe that the current reviews by supervisory staff minimizes the potential for fraud, however, we will make every effort to separate duties for better controls.

Number 09-02**Financial Statement Reporting and Other Supplemental Information**

Condition:

Our firm has been asked to prepare the financial statements and other supplemental information for the County; however, our firm cannot be considered part of the internal control structure of the County in regard to the preparation of the financial statements and other supplemental information.

Criteria:

The County prepares its financial statements and other supplemental information in accordance with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, in accordance with the reporting and formatting requirements displayed in the *Kansas Municipal Audit Guide* (KMGAG).

Effect:

We consider this condition related to external financial statement and other supplemental information preparation to be a significant deficiency under the standards established by the American Institute of Certified Public Accountants.

Cause:

County personnel does have the skill and knowledge to process all the basic financial transactions and the ability to issue the internal financial statements needed to provide appropriate budget and operating information to the County governing body on an as needed basis. However, the County either has no documented policy or procedures related to the preparation of the external financial statements and other supplemental information and/or the policies and procedures are not implemented and adequately followed to ensure the accuracy and completeness of the external financial statements and other supplemental information.

Recommendation:

To strengthen internal control over financial statement and other supplemental information preparation, we recommend:

- Obtain a current copy of the Kansas Municipal Audit Guide (KMGAG),

See accompanying Independent Auditor's Report.

MARION COUNTY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2009

- Obtain a report check list for KMAG financial statements,
- Participate in a training session on financial statement and other supplemental information preparation and review, and
- Adopt a policy that annual financial statements and other supplemental information will be reviewed prior to being subjected to audit.

Management
Response:

I concur with the auditor's findings that the financial information supplied is not presented in the form expressed in the KMAG. However, I do believe that the information provided in current form accurately expresses the financial and budgetary condition of the County. Additional training may be required to fulfill the requirement setforth.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

U.S. DEPARTMENT OF HOMELAND SECURITY

Homeland Security Grant Program – CFDA Number 97.067

NONE