HARPER COUNTY, KANSAS

Primary Government Financial Statements
With Independent Auditors' Report

For the Year Ended December 31, 2009

HARPER COUNTY, KANSAS
Primary Government Financial Statements With Independent Auditors' Report
For the Year Ended December 31, 2009

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Accountants

INDEPENDENT AUDITORS' REPORT

To the County Commissioners
Harper County, Kansas
Anthony, Kansas

We have audited the accompanying primary government financial statements of **Harper 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 **Harper County, Kansas'** management. Our responsibility is to express opinions on these financial statements based on our audit.

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

The primary government financial statements do not include financial data for one of the County's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for component units to be reported with the financial data of the County's primary government, unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the cash and unencumbered cash balances of the aggregate discretely presented component units would have been reported as $64,057 for the Harper County Economic Development Council.

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2010 on our consideration of the **Harper County, Kansas'** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise **Harper County, Kansas'** financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and is also not a required part of the financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Adams, Brown, Beran & Ball

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

July 19, 2010

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	**Ending Unencumbered Cash Balance**	Add Outstanding Encumbrances and Accounts Payable	**Ending Cash Balance**
Governmental Fund Categories							
General Fund							
General Fund	$ 1,715,767	-	4,219,141	5,056,409	**878,499**	471,744	**1,350,243**
Special Revenue Funds							
Appraiser's Cost Fund	29,949	-	202,367	197,634	**34,682**	7,419	**42,101**
Department on Aging Fund	51,046	-	225,694	215,000	**61,740**	11,548	**73,288**
Employee Benefits Fund	412,878	-	932,169	1,124,766	**220,281**	-	**220,281**
Health Fund	185,824	-	589,871	534,559	**241,136**	24,834	**265,970**
911 Emergency Tax Fund	28,452	-	54,916	56,430	**26,938**	-	**26,938**
Noxious Weed Fund	2,323	-	182,649	173,380	**11,592**	2,109	**13,701**
Road and Bridge Fund	749,348	-	3,274,853	2,607,896	**1,416,305**	154,358	**1,570,663**
Special Alcohol Fund	10,389	-	2,883	-	**13,272**	-	**13,272**
Special Bridge Fund	145,993	-	113,401	249,880	**9,514**	3,575	**13,089**
Special Liability Fund	24,991	-	-	-	**24,991**	-	**24,991**
911 Wireless Tax Fund	21,918	-	37,701	3,122	**56,497**	-	**56,497**
Capital Equipment Reserve Fund	416,086	-	125,638	83,186	**458,538**	-	**458,538**
Capital Improvement Reserve Fund	279,466		36,000	10,694	**304,772**	-	**304,772**
County Attorney Equipment Fund	31,820	-	25,080	26,170	**30,730**	548	**31,278**
Sheriff Equipment Fund	2,695	-	2,070	995	**3,770**	-	**3,770**
Special Highway Improvement Fund	769,072	-	451,393	33,448	**1,187,017**	-	**1,187,017**
Special Machinery Fund	107,260	-	5,000	100,000	**12,260**	-	**12,260**
Register of Deeds Technology Fund	38,944	-	13,920	11,645	**41,219**	-	**41,219**
Plumb Thicket Monitoring Fund	3,216,114	-	973,691	78,600	**4,111,205**	-	**4,111,205**
Ambulance Memorial Fund	1,818	-	100	-	**1,918**	-	**1,918**
Courthouse Preservation Fund	10,816	-	20	-	**10,836**	-	**10,836**
Microloan Fund	36,359	-	7,656	-	**44,015**	-	**44,015**
SCLEPG Fund	67,658	-	44,549	64,692	**47,515**	1,343	**48,858**
CDBG Fund	444	-	429,864	429,864	**444**	-	**444**
SCK District Association fund	-	-	260	260	-	-	-
EMS Education Grant Fund	-	-	18,835	18,835	-	-	-
Fiduciary Fund Category							
Private Purpose Trust Funds							
Prosecutor Training Assistance Fund	1,174	-	1,165	1,021	**1,318**	-	**1,318**
Law Enforcement Grant Fund	449	-	-	-	**449**	-	**449**
Special Motor Vehicle License Fund	18,090	-	49,506	52,656	**14,940**	2,033	**16,973**
Total Primary Government	$ 8,377,143	-	12,020,392	11,131,142	**9,266,393**	679,511	**9,945,904**

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

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

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	**Ending Unencumbered Cash Balance**	Add Outstanding Encumbrances and Accounts Payable	**Ending Cash Balance**
Component Unit							
Extension Council	$ 63,518	-	163,280	157,428	**69,370**	-	**69,370**
Total Reporting Entity (Excluding Agency Funds)	$ 8,440,661	-	12,183,672	11,288,570	**9,335,763**	679,511	**10,015,274**

Composition of Cash	Checking Accounts	$ 4,987,813
	Certificates of Deposit	12,267,513
	Cash and Cash Items	640
	Total Primary Government	**17,255,966**
	Total Component Unit	69,372
	Total Reporting Entity	**17,325,338**
	Statement 4 - Distributable, State, Subdivision, and Agency Funds	7,310,064
	Total Reporting Entity (Excluding Agency Funds)	$ **10,015,274**

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

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

Funds	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	**Expenditures Chargeable to Current Year**	Variance Favorable (Unfavorable)
Governmental Fund Categories					
General Fund					
General Fund	$ 5,015,796	76,481	5,092,277	**5,056,409**	35,868
Special Revenue Funds					
Appraiser's Cost Fund	197,410	8,340	205,750	**197,634**	8,116
Department on Aging Fund	278,187	-	278,187	**215,000**	63,187
Employee Benefits Fund	1,137,750	-	1,137,750	**1,124,766**	12,984
Health Fund	612,392	-	612,392	**534,559**	77,833
911 Emergency Tax Fund	65,574	-	65,574	**56,430**	9,144
Noxious Weed Fund	177,446	-	177,446	**173,380**	4,066
Road and Bridge Fund	2,522,966	96,858	2,619,824	**2,607,896**	11,928
Special Bridge Fund	271,445	-	271,445	**249,880**	21,565
Special Liability Fund	31,029	-	31,029	**-**	31,029
911 Wireless Tax Fund	19,336	-	19,336	**3,122**	16,214

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

HARPER 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Tax	$ 1,713,123	**1,264,158**	1,288,643	(24,485)
Delinquent Tax	37,661	**82,267**	-	82,267
Vehicle Tax	119,051	**134,994**	139,345	(4,351)
Mineral Production Tax	65,672	**24,143**	60,000	(35,857)
Total Taxes and Shared Revenue	1,935,507	**1,505,562**	1,487,988	17,574
Intergovernmental				
Local Alcoholic Liquor Tax	1,567	**1,441**	1,200	241
Racing Admissions Tax	329	**553**	200	353
District Coroner	790	**624**	1,500	(876)
Homeland Security Grant	128	**76,481**	-	76,481
Emergency Management Grants	10,483	**37,723**	5,000	32,723
State Aid	8,483	**15,630**	-	15,630
Total Intergovernmental	21,780	**132,452**	7,900	124,552
Licenses and Fees				
Mortgage Registration Fees	46,177	**59,529**	60,000	(471)
County Officers' Fees	93,991	**73,744**	50,000	23,744
Total Licenses and Fees	140,168	**133,273**	110,000	23,273
Charges for Services				
Jail Keep Fees	9,361	**24,078**	6,000	18,078
Solid Waste Disposal Fees	75,462	**63,461**	65,000	(1,539)
Ambulance Run Fees	351,764	**330,221**	360,000	(29,779)
Total Charges for Services	436,587	**417,760**	431,000	(13,240)
Use of Money and Property				
Interest on Investments	304,834	**98,090**	160,000	(61,910)
Interest on Delinquent Taxes	59,200	**198,419**	45,000	153,419
Rents	-	**3,000**	5,000	(2,000)
Total Use of Money and Property	364,034	**299,509**	210,000	89,509
Miscellaneous				
County Farm Income	20,615	**4,642**	7,500	(2,858)
Zoning Fees	915	**1,635**	1,000	635
Tonnage Fees	1,796,171	**1,711,695**	1,800,000	(88,305)
Miscellaneous	3,591	**12,613**	10,000	2,613
Total Miscellaneous	1,821,292	**1,730,585**	1,818,500	(87,915)
Total Cash Receipts	$ 4,719,368	**4,219,141**	4,065,388	153,753

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

HARPER 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Favorable (Unfavorable)
Expenditures				
County Commission	$ 57,236	**70,948**	57,068	(13,880)
County Clerk	124,041	**125,226**	125,605	379
County Treasurer	93,093	**98,884**	100,950	2,066
County Attorney	94,695	**101,506**	102,051	545
Register of Deeds	84,641	**96,385**	101,351	4,966
Judicial Court (Unified Court)	83,877	**108,884**	119,800	10,916
Courthouse General	534,672	**424,986**	434,200	9,214
Election	73,333	**39,166**	65,573	26,407
Sheriff	361,498	**366,373**	388,522	22,149
Jail	194,913	**211,977**	205,658	(6,319)
Dispatch	211,982	**240,928**	230,555	(10,373)
Ambulance	320,492	**366,567**	411,368	44,801
Emergency Management	20,309	**125,024**	17,000	(108,024)
Solid Waste Disposal	176,421	**205,694**	234,035	28,341
County Administrator	99,589	**146,473**	133,300	(13,173)
Zoning	30,609	**31,141**	38,780	7,639
GIS	39,560	**16,607**	64,000	47,393
Community Work Service	17,802	**20,231**	23,600	3,369
Buildings and Grounds	-	**143,644**	206,521	62,877
Plumb Thicket Funds	-	**416,513**	-	(416,513)
Appropriations	581,908	**614,561**	506,164	(108,397)
Transfers Out	1,543,407	**1,084,691**	1,449,695	365,004
(a) Budget Credit	-	**-**	76,481	76,481
Total Expenditures	4,744,078	**5,056,409**	5,092,277	35,868
Receipts Over (Under) Expenditures	(24,710)	**(837,268)**		
Unencumbered Cash, January 1	1,740,477	**1,715,767**		
Unencumbered Cash, December 31	$ 1,715,767	**878,499**		

(a) Adjustment for Qualifying Budget Credits
Excess Homeland Security Grant Over Amount Budgeted $ **76,481**

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

HARPER 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Favorable (Unfavorable)
County Commission				
Personal Services	$ 46,696	**48,175**	46,968	(1,207)
Contractual Services	10,362	**22,757**	300	(22,457)
Commodities	178	**16**	9,800	9,784
Department Total	57,236	**70,948**	57,068	(13,880)
County Clerk				
Personal Services	113,777	**117,251**	115,455	(1,796)
Contractual Services	7,747	**5,354**	7,800	2,446
Commodities	2,517	**2,621**	2,350	(271)
Department Total	124,041	**125,226**	125,605	379
County Treasurer				
Personal Services	82,314	**81,114**	84,050	2,936
Contractual Services	7,823	**11,414**	3,900	(7,514)
Commodities	2,956	**6,356**	13,000	6,644
Department Total	93,093	**98,884**	100,950	2,066
County Attorney				
Personal Services	80,269	**87,055**	82,551	(4,504)
Contractual Services	10,419	**10,811**	12,400	1,589
Commodities	3,319	**3,640**	7,100	3,460
Capital Outlay	688	**-**	-	-
Department Total	94,695	**101,506**	102,051	545
Register of Deeds				
Personal Services	78,860	**87,921**	85,451	(2,470)
Contractual Services	3,414	**7,262**	11,900	4,638
Commodities	1,517	**1,202**	2,000	798
Capital Outlay	850	**-**	2,000	2,000
Department Total	84,641	**96,385**	101,351	4,966
Judicial Court (Unified Court)				
Contractual Services	75,927	**88,233**	97,800	9,567
Commodities	7,692	**8,955**	9,500	545
Capital Outlay	258	**11,696**	12,500	804
Department Total	83,877	**108,884**	119,800	10,916
Courthouse General				
Personal Services	77,616	**1,033**	-	(1,033)
Contractual Services	366,943	**359,051**	395,900	36,849
Commodities	73,365	**62,658**	21,300	(41,358)
Capital Outlay	16,748	**2,244**	17,000	14,756
Department Total	$ 534,672	**424,986**	434,200	9,214

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

HARPER 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Favorable (Unfavorable)
Total Expenditures (continued)				
Election				
Personal Services	$ 38,487	**17,658**	33,173	15,515
Contractual Services	19,938	**9,917**	20,500	10,583
Commodities	7,520	**91**	1,900	1,809
Capital Outlay	7,388	**11,500**	10,000	(1,500)
Department Total	73,333	**39,166**	65,573	26,407
Sheriff				
Personal Services	242,968	**264,851**	272,172	7,321
Contractual Services	49,500	**34,167**	24,900	(9,267)
Commodities	46,584	**36,440**	57,650	21,210
Capital Outlay	31,085	**34,059**	33,800	(259)
Reimbursed Expenses	(8,639)	**(3,144)**	-	3,144
Department Total	361,498	**366,373**	388,522	22,149
Jail				
Personal Services	127,362	**142,646**	118,708	(23,938)
Contractual Services	37,607	**29,670**	49,800	20,130
Commodities	30,028	**38,989**	35,650	(3,339)
Capital Outlay	1,036	**1,152**	1,500	348
Reimbursed Expenses	(1,120)	**(480)**	-	480
Department Total	194,913	**211,977**	205,658	(6,319)
Dispatch				
Personal Services	178,226	**209,578**	214,555	4,977
Contractual Services	23,353	**27,648**	10,000	(17,648)
Commodities	5,898	**2,469**	4,000	1,531
Capital Outlay	4,505	**1,233**	2,000	767
Department Total	211,982	**240,928**	230,555	(10,373)
Ambulance				
Personal Services	252,990	**302,079**	311,118	9,039
Contractual Services	17,358	**25,255**	9,950	(15,305)
Commodities	49,816	**33,033**	65,300	32,267
Capital Outlay	328	**6,200**	25,000	18,800
Department Total	$ 320,492	**366,567**	411,368	44,801

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

HARPER 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Favorable (Unfavorable)
Total Expenditures (continued)				
Emergency Management				
Personal Services	$ 5,058	**11,548**	7,500	(4,048)
Contractual Services	1,465	**34,741**	3,000	(31,741)
Commodities	5,666	**407**	2,500	2,093
Capital Outlay	7,992	**1,847**	4,000	2,153
Homeland Security Grant	128	**76,481**	-	(76,481)
Department Total	20,309	**125,024**	17,000	(108,024)
Solid Waste Disposal				
Personal Services	101,100	**101,954**	103,435	1,481
Contractual Services	40,330	**54,770**	61,500	6,730
Commodities	13,508	**14,078**	32,200	18,122
Capital Outlay	21,483	**34,892**	36,900	2,008
Department Total	176,421	**205,694**	234,035	28,341
County Administrator				
Personal Services	91,446	**116,559**	107,000	(9,559)
Contractual Services	8,093	**25,009**	5,000	(20,009)
Commodities	50	**4,905**	12,500	7,595
Capital Outlay	-	**-**	8,800	8,800
Department Total	99,589	**146,473**	133,300	(13,173)
Zoning				
Personal Services	8,475	**10,482**	9,780	(702)
Contractual Services	20,161	**20,364**	28,000	7,636
Commodities	1,973	**295**	1,000	705
Department Total	30,609	**31,141**	38,780	7,639
GIS				
Contractual Services	-	**-**	57,000	57,000
Commodities	39,560	**16,607**	2,000	(14,607)
Capital Outlay	-	**-**	5,000	5,000
Department Total	39,560	**16,607**	64,000	47,393
Community Work Service				
Personal Services	9,288	**14,729**	13,800	(929)
Contractual Services	3,260	**4,507**	6,650	2,143
Commodities	599	**705**	650	(55)
Capital Outlay	4,655	**290**	2,500	2,210
Department Total	$ 17,802	**20,231**	23,600	3,369

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

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

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Favorable (Unfavorable)
Total Expenditures (continued)				
Buildings and Grounds				
Personal Services	$ -	**88,247**	62,921	(25,326)
Contractual Services	-	**38,432**	96,200	57,768
Commodities	-	**12,130**	20,400	8,270
Capital Outlay	-	**4,835**	27,000	22,165
Department Total	-	**143,644**	206,521	62,877
Plumb Thicket Funds				
Contractual Services	-	**63,435**	-	(63,435)
Capital Outlay	-	**353,078**	-	(353,078)
Department Total	-	**416,513**	-	(416,513)
Appropriations				
Soil Conservation	10,000	**10,000**	10,000	-
Historical Society	2,000	**2,000**	2,000	-
Neighborhood Revitalization	-	**-**	55,000	55,000
SCKEDD and RC&D	1,730	**1,730**	5,000	3,270
Harper County Economic Development	89,280	**133,350**	133,350	-
Harper County Community Foundation	-	**166,667**	-	(166,667)
South Central Kansas Foundation	20,000	**20,000**	20,000	-
Interfaith Housing Service	200,000	**-**	-	-
Mental Health	75,493	**75,493**	75,493	-
Mental Retardation	54,621	**54,621**	54,621	-
South Central Community Corrections	10,000	**10,000**	10,000	-
County Extension	109,934	**123,000**	123,000	-
County Fair	4,250	**8,500**	8,500	-
County Fair Building	4,600	**9,200**	9,200	-
Total Appropriations	581,908	**614,561**	506,164	(108,397)
Transfers Out	1,543,407	**1,084,691**	1,449,695	365,004
(a) Budget Credit	-	**-**	76,481	76,481
Total Expenditures	$ 4,744,078	**5,056,409**	5,092,277	35,868

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

HARPER COUNTY, KANSAS
Appraiser's Cost 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Tax	$ 164,184	**173,506**	176,973	(3,467)
Delinquent Tax	3,348	**7,629**	-	7,629
Vehicle Tax	10,770	**12,892**	13,356	(464)
Miscellaneous	4,528	**8,340**	-	8,340
Total Cash Receipts	182,830	**202,367**	190,329	12,038
Expenditures				
Personal Services	145,751	**152,840**	156,345	3,505
Contractual Services	14,166	**11,570**	9,000	(2,570)
Commodities	7,431	**14,224**	9,065	(5,159)
Capital Outlay	-	**19,000**	23,000	4,000
(a) Budget Credit	-	**-**	8,340	8,340
Total Expenditures	167,348	**197,634**	205,750	8,116
Receipts Over (Under) Expenditures	15,482	**4,733**		
Unencumbered Cash, January 1	14,467	**29,949**		
Unencumbered Cash, December 31	$ 29,949	**34,682**		

(a) Adjustment for Qualifying Budget Credits

Excess Miscellaneous Revenue Over Amount Budgeted	$ **8,340**

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

HARPER COUNTY, KANSAS
Department on Aging 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Tax	$ 88,629	**69,881**	71,220	(1,339)
Delinquent Tax	1,853	**3,558**	-	3,558
Vehicle Tax	6,606	**7,236**	7,243	(7)
Intergovernmental				
State Aid	70,852	**74,703**	104,222	(29,519)
Federal Aid	38,748	**-**	-	-
Mid Kansas Transit District	15,904	**8,207**	7,880	327
Miscellaneous				
Donations	81,801	**62,109**	70,918	(8,809)
Total Cash Receipts	304,393	**225,694**	261,483	(35,789)
Expenditures				
Personal Services	120,242	**105,627**	115,158	9,531
Contractual Services	103,402	**88,999**	125,529	36,530
Commodities	23,333	**17,374**	34,500	17,126
Capital Outlay	38,748	**-**	3,000	3,000
Transfers Out	2,500	**3,000**	-	(3,000)
Total Expenditures	288,225	**215,000**	278,187	63,187
Receipts Over (Under) Expenditures	16,168	**10,694**		
Unencumbered Cash, January 1	34,878	**51,046**		
Unencumbered Cash, December 31	$ 51,046	**61,740**		

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

HARPER COUNTY, KANSAS
Employee Benefits 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Tax	$ 726,295	**807,010**	823,134	(16,124)
Delinquent Tax	17,021	**39,775**	-	39,775
Vehicle Tax	56,297	**58,689**	59,229	(540)
Miscellaneous	3,596	**26,695**	-	26,695
Total Cash Receipts	803,209	**932,169**	882,363	49,806
Expenditures				
Social Security	240,349	**253,576**	228,000	(25,576)
KPERS	160,772	**176,731**	224,000	47,269
Workmen's Compensation	94,505	**90,380**	100,000	9,620
Unemployment Insurance	1,386	**11,130**	15,750	4,620
Health Insurance	423,331	**584,911**	560,000	(24,911)
Life Insurance	8,029	**8,038**	10,000	1,962
Miscellaneous	70	**-**	-	-
Total Expenditures	928,442	**1,124,766**	1,137,750	12,984
Receipts Over (Under) Expenditures	(125,233)	**(192,597)**		
Unencumbered Cash, January 1	538,111	**412,878**		
Unencumbered Cash, December 31	$ 412,878	**220,281**		

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

HARPER COUNTY, KANSAS
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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Tax	$ 278,724	**250,466**	255,929	(5,463)
Delinquent Tax	4,049	**8,914**	-	8,914
Vehicle Tax	13,277	**21,264**	22,594	(1,330)
Intergovernmental				
State Grants	33,880	**47,456**	-	47,456
Federal Grants	35,939	**28,974**	-	28,974
Charges for Services				
Public Health Receipts	171,063	**126,109**	135,000	(8,891)
Home Health Receipts	72,319	**106,688**	110,000	(3,312)
Total Cash Receipts	609,251	**589,871**	523,523	66,348
Expenditures				
Personal Services	379,944	**395,280**	450,892	55,612
Contractual Services	62,195	**79,017**	50,000	(29,017)
Commodities	48,254	**53,212**	25,000	(28,212)
Capital Outlay	-	**-**	15,000	15,000
Grants Expense	10,650	**7,050**	71,500	64,450
Total Expenditures	501,043	**534,559**	612,392	77,833
Receipts Over (Under) Expenditures	108,208	**55,312**		
Unencumbered Cash, January 1	77,616	**185,824**		
Unencumbered Cash, December 31	$ 185,824	**241,136**		

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

HARPER COUNTY, KANSAS
911 Emergency Tax 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
911 Fees	$ 27,428	**54,916**	32,000	22,916
Expenditures				
Contractual Services	46,499	**33,570**	20,000	(13,570)
Commodities	20,648	**22,860**	10,000	(12,860)
Capital Outlay	51,059	**-**	35,574	35,574
Total Expenditures	118,206	**56,430**	65,574	9,144
Receipts Over (Under) Expenditures	(90,778)	**(1,514)**		
Unencumbered Cash, January 1	119,230	**28,452**		
Unencumbered Cash, December 31	$ 28,452	**26,938**		

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

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

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Tax	$ 159,478	**136,755**	139,457	(2,702)
Delinquent Tax	3,162	**6,499**	-	6,499
Vehicle Tax	10,559	**12,633**	12,989	(356)
Miscellaneous				
Chemical Sales	28,954	**25,879**	25,000	879
Miscellaneous	790	**883**	-	883
Total Cash Receipts	202,943	**182,649**	177,446	5,203
Expenditures				
Personal Services	67,003	**56,626**	60,946	4,320
Contractual Services	11,295	**11,226**	11,500	274
Commodities	87,173	**71,640**	100,000	28,360
Capital Outlay	1,531	**3,888**	5,000	1,112
Transfers Out	25,000	**30,000**	-	(30,000)
Total Expenditures	192,002	**173,380**	177,446	4,066
Receipts Over (Under) Expenditures	10,941	**9,269**		
Unencumbered Cash, January 1	(8,618)	**2,323**		
Unencumbered Cash, December 31	$ 2,323	**11,592**		

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

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

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Tax	$ 1,496,106	**1,839,516**	1,876,372	(36,856)
Delinquent Tax	33,492	**77,812**	-	77,812
Vehicle Tax	116,658	**122,042**	122,177	(135)
Intergovernmental				
Special County Highway	361,723	**322,603**	378,825	(56,222)
County Equalization	7,998	**17,418**	-	17,418
Federal Aid	459,875	**685,585**	-	685,585
State Aid	54,232	**96,858**	-	96,858
Miscellaneous				
Reimbursements	76,922	**65,494**	-	65,494
Miscellaneous	33,086	**47,525**	-	47,525
Total Cash Receipts	2,640,092	**3,274,853**	2,377,374	897,479
Expenditures				
Personal Services	831,081	**897,062**	920,116	23,054
Contractual Services	173,034	**243,927**	189,200	(54,727)
Commodities	780,075	**765,228**	756,000	(9,228)
Capital Outlay	294,728	**406,679**	362,650	(44,029)
Transfers Out	295,000	**295,000**	295,000	-
(a) Budget Credit	-	**-**	96,858	96,858
Total Expenditures	2,373,918	**2,607,896**	2,619,824	11,928
Receipts Over (Under) Expenditures	266,174	**666,957**		
Unencumbered Cash, January 1	483,174	**749,348**		
Unencumbered Cash, December 31	$ 749,348	**1,416,305**		

(a) Adjustment for Qualifying Budget Credits

Excess State Aid Over Amount Budgeted	$ **96,858**

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

HARPER COUNTY, KANSAS
Special Alcohol 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Intergovernmental				
Local Alcoholic Liquor Tax	$ 3,133	**2,883**	4,000	(1,117)
Expenditures	-	-	-	-
Receipts Over (Under) Expenditures	3,133	**2,883**		
Unencumbered Cash, January 1	7,256	**10,389**		
Unencumbered Cash, December 31	$ 10,389	**13,272**		

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

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

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Taxes and Shared Revenue				
Ad Valorem Tax	$ 309,677	**75,177**	76,181	(1,004)
Delinquent Tax	7,009	**12,299**	-	12,299
Vehicle Tax	24,710	**25,443**	25,310	133
Miscellaneous	1,534	**482**	-	482
Total Cash Receipts	342,930	**113,401**	101,491	11,910
Expenditures				
Personal Services	80,057	**91,322**	91,745	423
Contractual Services	1,544	**36,967**	49,200	12,233
Commodities	204,470	**121,591**	130,500	8,909
Capital Outlay	8,199	**-**	-	-
Total Expenditures	294,270	**249,880**	271,445	21,565
Receipts Over (Under) Expenditures	48,660	**(136,479)**		
Unencumbered Cash, January 1	97,333	**145,993**		
Unencumbered Cash, December 31	$ 145,993	**9,514**		

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

HARPER COUNTY, KANSAS
Special Liability 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Favorable (Unfavorable)
Cash Receipts	$ -	-	-	-
Expenditures				
Contractual Services	6,038	-	31,029	31,029
Receipts Over (Under) Expenditures	(6,038)	-		
Unencumbered Cash, January 1	31,029	**24,991**		
Unencumbered Cash, December 31	$ 24,991	**24,991**		

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

HARPER COUNTY, KANSAS
911 Wireless Tax 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)

		Current Year		
	Prior Year Actual	**Actual**	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Federal and State Grants	$ -	**27,020**	-	27,020
Collections	9,570	**10,681**	9,000	1,681
Total Cash Receipts	9,570	**37,701**	9,000	28,701
Expenditures				
Commodities	-	**879**	-	(879)
Contractual Services	2,988	**2,243**	4,000	1,757
Capital Outlay	-	**-**	15,336	15,336
Total Expenditures	2,988	**3,122**	19,336	16,214
Receipts Over (Under) Expenditures	6,582	**34,579**		
Unencumbered Cash, January 1	15,336	**21,918**		
Unencumbered Cash, December 31	$ 21,918	**56,497**		

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

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

		Prior Year Actual	**Current Year Actual**
Cash Receipts			
Insurance Proceeds	$	-	**17,638**
Transfers In		92,500	**108,000**
Total Cash Receipts		92,500	**125,638**
Expenditures			
Capital Outlay		99,387	**83,186**
Receipts Over (Under) Expenditures		(6,887)	**42,452**
Unencumbered Cash, January 1		422,973	**416,086**
Unencumbered Cash, December 31	$	416,086	**458,538**

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

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

		Prior Year Actual	**Current Year Actual**
Cash Receipts			
Transfers In	$	125,000	**36,000**
Expenditures			
Capital Outlay		93,713	**10,694**
Receipts Over (Under) Expenditures		31,287	**25,306**
Unencumbered Cash, January 1		248,179	**279,466**
Unencumbered Cash, December 31	$	279,466	**304,772**

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

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

		Prior Year Actual	**Current Year Actual**
Cash Receipts			
Diversion Fees	$	16,037	**17,952**
Bad Check Fees		550	**634**
Equipment		3,225	**6,494**
Miscellaneous		131	**-**
Total Cash Receipts		19,943	**25,080**
Expenditures			
Commodities		31,822	**26,170**
Receipts Over (Under) Expenditures		(11,879)	**(1,090)**
Unencumbered Cash, January 1		43,699	**31,820**
Unencumbered Cash, December 31	$	31,820	**30,730**

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

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

		Prior Year Actual	**Current Year Actual**
Cash Receipts			
Miscellaneous	$	1,080	**2,070**
Expenditures			
Contractual Services		-	**995**
Receipts Over (Under) Expenditures		1,080	**1,075**
Unencumbered Cash, January 1		1,615	**2,695**
Unencumbered Cash, December 31	$	2,695	**3,770**

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

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

		Prior Year Actual	**Current Year Actual**
Cash Receipts			
KDOT Refund	$	-	**161,393**
Transfers In		290,000	**290,000**
Total Cash Receipts		290,000	**451,393**
Expenditures			
Commodities		-	**33,448**
Receipts Over (Under) Expenditures		290,000	**417,945**
Unencumbered Cash, January 1		479,072	**769,072**
Unencumbered Cash, December 31	$	769,072	**1,187,017**

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

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

		Prior Year Actual	Current Year Actual
Cash Receipts			
Transfers In	$	5,000	**5,000**
Expenditures			
Capital Outlay		-	**100,000**
Receipts Over (Under) Expenditures		5,000	**(95,000)**
Unencumbered Cash, January 1		102,260	**107,260**
Unencumbered Cash, December 31	$	107,260	**12,260**

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

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

		Prior Year Actual	**Current Year Actual**
Cash Receipts			
Collections	$	12,386	**13,920**
Expenditures			
Capital Outlay		13,300	**11,645**
Receipts Over (Under) Expenditures		(914)	**2,275**
Unencumbered Cash, January 1		39,858	**38,944**
Unencumbered Cash, December 31	$	38,944	**41,219**

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

HARPER COUNTY, KANSAS
Plumb Thicket Monitoring Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2009
(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

		Prior Year Actual	**Current Year Actual**
Cash Receipts			
Transfers In	$	1,353,407	**973,691**
Expenditures			
Contractual Services		-	**78,600**
Receipts Over (Under) Expenditures		1,353,407	**895,091**
Unencumbered Cash, January 1		1,862,707	**3,216,114**
Unencumbered Cash, December 31	$	3,216,114	**4,111,205**

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

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

		Prior Year Actual	**Current Year Actual**
Cash Receipts			
Miscellaneous	$	50	**100**
Expenditures		-	-
Receipts Over (Under) Expenditures		50	**100**
Unencumbered Cash, January 1		1,768	**1,818**
Unencumbered Cash, December 31	$	1,818	**1,918**

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

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

		Prior Year Actual	Current Year Actual
Cash Receipts			
Raffle	$	484	5
Shirt Sales		832	-
Ornament Sales		695	15
Total Cash Receipts		2,011	20
Expenditures			
Commodities		5	-
Receipts Over (Under) Expenditures		2,006	20
Unencumbered Cash, January 1		8,810	10,816
Unencumbered Cash, December 31	$	10,816	10,836

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

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

	Prior Year Actual	**Current Year Actual**
Cash Receipts	$ -	-
Expenditures		
Commodities	961	-
Transfers Out	40,220	-
Total Expenditures	41,181	-
Receipts Over (Under) Expenditures	(41,181)	-
Unencumbered Cash, January 1	41,181	-
Unencumbered Cash, December 31	$ -	-

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

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

		Prior Year Actual	**Current Year Actual**
Cash Receipts			
Loan Payments	$	950	**7,656**
Expenditures			
Contractual		195	-
Receipts Over (Under) Expenditures		755	**7,656**
Unencumbered Cash, January 1		35,604	**36,359**
Unencumbered Cash, December 31	$	36,359	**44,015**

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

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

		Prior Year Actual	**Current Year Actual**
Cash Receipts			
Intergovernmental			
Federal and State Aid	$	21,000	**15,050**
Miscellaneous			
Local Contributions		18,300	**23,550**
Licenses, Permits, and Fees		6,291	**5,834**
Miscellaneous		25	**115**
Transfers In		40,220	**-**
Total Cash Receipts		85,836	**44,549**
Expenditures			
Personal Services		47,221	**54,865**
Contractual Services		7,139	**3,626**
Commodities		5,547	**5,887**
Capital Outlay		960	**314**
Total Expenditures		60,867	**64,692**
Receipts Over (Under) Expenditures		24,969	**(20,143)**
Unencumbered Cash, January 1		42,689	**67,658**
Unencumbered Cash, December 31	$	67,658	**47,515**

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

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

		Prior Year Actual	**Current Year Actual**
Cash Receipts			
Harper Hospital Administration	$	5,000	**360,000**
Elkhorn Receipts		75,686	**69,864**
Total Cash Receipts		80,686	**429,864**
Expenditures			
Harper Hospital Administration		5,000	**360,000**
Elkhorn Payments		75,686	**69,864**
Total Expenditures		80,686	**429,864**
Receipts Over (Under) Expenditures		-	**-**
Unencumbered Cash, January 1		444	**444**
Unencumbered Cash, December 31	$	444	**444**

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

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

		Prior Year Actual	**Current Year Actual**
Cash Receipts			
Miscellaneous	$	-	**260**
Expenditures			
Miscellaneous		-	**260**
Receipts Over (Under) Expenditures		-	-
Unencumbered Cash, January 1		-	-
Unencumbered Cash, December 31	$	-	-

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

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

		Prior Year Actual	**Current Year Actual**
Cash Receipts			
Grant	$	10,220	**18,835**
Expenditures			
Grant Expense		10,220	**18,835**
Receipts Over (Under) Expenditures		-	-
Unencumbered Cash, January 1		-	-
Unencumbered Cash, December 31	$	-	-

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

HARPER COUNTY, KANSAS
Prosecutor Training Assistance Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2009
(With Comparative Actual Totals for the Prior Year Ended December 31, 2008)

		Prior Year Actual	**Current Year Actual**
Cash Receipts			
Collections	$	912	**1,165**
Expenditures			
Commodities		855	**1,021**
Receipts Over (Under) Expenditures		57	**144**
Unencumbered Cash, January 1		1,117	**1,174**
Unencumbered Cash, December 31	$	1,174	**1,318**

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

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

		Prior Year Actual	**Current Year Actual**
Cash Receipts	$	-	-
Expenditures		-	-
Receipts Over (Under) Expenditures		-	-
Unencumbered Cash, January 1		449	**449**
Unencumbered Cash, December 31	$	449	**449**

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

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

		Prior Year Actual	Current Year Actual
Cash Receipts			
Licenses, Permits, and Fees	$	54,981	**48,693**
Miscellaneous		1,252	**813**
Total Cash Receipts		56,233	**49,506**
Expenditures			
Personal Services		32,842	**41,539**
Contractual Services		2,680	**1,920**
Commodities		19,195	**5,508**
Capital Outlay		-	**3,689**
Total Expenditures		54,717	**52,656**
Receipts Over (Under) Expenditures		1,516	**(3,150)**
Unencumbered Cash, January 1		16,574	**18,090**
Unencumbered Cash, December 31	$	18,090	**14,940**

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

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

		Prior Year Actual	**Current Year Actual**
Cash Receipts			
County Appropriations	$	109,935	**123,000**
KSU Salary Participation		34,098	**37,752**
Educational Services		1,652	**2,222**
Interest and Miscellaneous Income		2,338	**306**
Total Cash Receipts		148,023	**163,280**
Expenditures			
Audit, Printing, and Treasury Bond		2,830	**2,507**
Telephone		1,641	**1,548**
Postage and Supplies		4,197	**4,064**
Equipment		3,284	**4,554**
Miscellaneous		5,595	**7,927**
Transportation		3,587	**3,168**
Subsistence		475	**433**
Salaries		102,654	**114,985**
Social Security and Retirement		13,641	**16,185**
Reimbursed Items		1,686	**2,057**
Total Expenditures		139,590	**157,428**
Receipts Over (Under) Expenditures		8,433	**5,852**
Unencumbered Cash, January 1		55,085	**63,518**
Unencumbered Cash, December 31	$	63,518	**69,370**

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

HARPER COUNTY, KANSAS

Summary of Distributable Funds, State Funds, and Subdivision Funds

Summary of Cash Receipts and Cash Disbursements

For the Year Ended December 31, 2009

Fund		Beginning Cash Balance	Cash Receipts	Cash Disbursements	**Ending Cash Balance**
Distributable Funds					
Advance Tax	$	5,020	27,329	26,658	**5,691**
NRP Rebate		(24,638)	91,342	105,602	**(38,898)**
Neighborhood Revitalization Program		22,210	1,500	-	**23,710**
Current Tax		6,446,058	10,700,388	10,384,231	**6,762,215**
Delinquent Personal Property		10,916	652,241	444,862	**218,295**
Delinquent Real Estate Tax		95,922	214,727	239,046	**71,603**
Delinquent 16/20M Tax		-	1,170	1,170	**-**
Motor Vehicle Tax		185,855	871,609	878,603	**178,861**
Motor Vehicle 16/20M Tax		10,342	18,125	15,670	**12,797**
Motor Vehicle Sales Tax		-	152,987	152,987	**-**
Rental Excise Tax		142	189	259	**72**
Motor Vehicle Licenses		9,098	437,971	426,809	**20,260**
Telco and ME Distribution		-	53,048	53,048	**-**
Tax/MV Clearing Fund		423	13,151	13,467	**107**
Total Distributable Funds	$	6,761,348	13,235,777	12,742,412	**7,254,713**
State Funds					
State General Fund	$	-	18	18	**-**
Fish and Game Licenses		153	9,098	9,251	**-**
State Drivers Licenses		-	23,631	23,631	**-**
State Educational Building Tax		-	83,775	83,775	**-**
State Institutional Building Tax		-	41,888	41,888	**-**
Total State Funds	$	153	158,410	158,563	**-**
Subdivision Funds					
Cemetery Districts	$	-	120,353	120,353	**-**
Cities		324	1,328,132	1,328,456	**-**
Hospital Districts		8	1,350,238	1,350,238	**8**
School Districts		24,138	3,329,537	3,350,239	**3,436**
Townships		-	139,883	139,883	**-**
South Central KS Library - General		-	60,669	60,669	**-**
South Central KS Library - EE Benefits		-	3,888	3,888	**-**
Total Subdivision Funds	$	24,470	6,332,700	6,353,726	**3,444**

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

HARPER COUNTY, KANSAS
Agency Funds
Summary of Cash Receipts and Cash Disbursements
For the Year Ended December 31, 2009

Fund		Beginning Cash Balance	Cash Receipts	Cash Disbursements	**Ending Cash Balance**
Clerk of District Court Office	$	19,107	397,809	377,650	**39,266**
Sheriff's Commissary Fund		10,620	15,829	16,606	**9,843**
Operating Returned Checks		10,538	5,994	13,955	**2,577**
Mid-Kansas Transit District		-	747,086	747,086	**-**
Payroll Clearing Fund		211	950,549	950,569	**191**
Pioneer Cemetery Fund		30	-	-	**30**
Total	$	40,506	2,117,267	2,105,866	**51,907**

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

Harper County, Kansas is a municipal corporation governed by an elected three-member commission. The County receives funding from local, state, and federal government sources and must comply with the requirements of those funding sources.

The financial statements of **Harper County, Kansas** consist of all the funds of the County and governmental entities that are considered to be controlled or dependent on the county. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

The component unit section of these financial statements includes the financial data of the discretely presented component units. These component units are reported separately to emphasize that they are legally separate from the County.

Harper County Extension Council – Harper 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 that makes the Council financially dependent on the County. Contact the Harper County Extension office for obtaining a copy of the financial statements.

Harper County Economic Development – Harper County Economic Development Council works to promote new industry, tourism, and recreation to **Harper County, Kansas**. The County substantially funds the operations by levying tax dollars for the operation of the Economic Development Council. The Economic Development Council's activity is not included in the County's financial statements. The records for Harper County Economic Development can be obtained from their office located at 700 N LL&G Avenue in Anthony, Kansas.

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

Use of Estimates

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

Basis of Presentation – Fund Accounting

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Governmental Fund Categories

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

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

Fiduciary Fund Categories

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Information

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

1) Preparation of the budget for the succeeding calendar year on or before August 1st.

2) Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

3) Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.

4) Adoption of the final budget on or before August 25th.

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

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

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

A legal operating budget is not required for fiduciary funds and the following special revenue funds: Capital Equipment Reserve Fund, Capital Improvement Reserve Fund, County Attorney Equipment Fund, Sheriff Equipment Fund, Special Highway Improvement Fund, Special Machinery Fund, Register of Deeds Technology Fund, Plumb Thicket Monitoring Fund, Ambulance Memorial Fund, Courthouse Preservation Fund, LEPP Fund, Microloan Fund, SCLEPG Fund, CDBG Fund, SCK District Association Fund, and EMS Education Grant Fund.

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

Deposits and Investments

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

At December 31, 2009, the County's carrying amount of deposits was $17,324,698 and the bank balance was $17,616,747. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, $11,576,544 was covered by federal depository insurance and $6,040,203 was collateralized with securities held by the pledging financial institutions' agents in the County's name. In addition, the County had cash and cash items on hand of $640.

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

Restricted Assets
Restricted cash balances are reported in various funds that are legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt, and for expenditures approved in federal and state grant contracts. Also, cash is restricted in the trust fund of **Harper County, Kansas** for special purposes.

Compensated Absences
Sick Leave Policy – All full time employees are eligible for sick leave. Sick leave with pay is granted at the rate of eight (8) hours of leave for each full month beginning the date of employment. Any employee voluntarily leaving County employment with ten (10) or more years of continuous service shall be reimbursed for any unused sick leave at the rate of $20 per day.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Vacation Policy – Vacation with pay is granted to full time employees based on the following schedule:

Years of Service	
0 - 1	5 days
2 - 4	10 days
5 - 9	12 days
10 - 14	15 days
15+	18 days

Vacation time may not be used until one year of employment is completed. Vacation time may be accumulated for a maximum carry over of ten (10) days at the end of any year. Unused vacation time will be due to an employee who terminates employment with the County to be paid on the payroll following the final date of employment.

The County's policies regarding vacation and sick pay permit employees to accumulate a maximum of 80 hours of vacation and 1,040 hours of sick leave. The total potential liability for sick leave and vacation is $27,035 and $55,131, respectively, at December 31, 2009. This total potential liability is shown in Note 11 – Long-Term Debt.

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% and 6% (if hired on or after July 1, 2009) of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate established by statute for calendar year 2009 is 6.54%. **Harper County, Kansas'** employer contributions to KPERS for the years ending December 31, 2009, 2008, and 2007 were $199,928, $147,587, and $125,830, respectively, equal to the required contributions for each year.

Deferred Compensation Plan

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other Post Employment Benefits

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

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

Property Tax Calendar

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

Reimbursements

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

NOTE 2 – TRANSFERS AND PAYMENTS

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

From	To	Statutory Authority		Amount
Road and Bridge Fund	Special Highway Improvement Fund	K.S.A. 68-141g	$	290,000
General Fund	Capital Improvement Reserve Fund	K.S.A. 19-120		36,000
General Fund	Capital Equipment Reserve Fund	K.S.A. 19-119		75,000
Department on Aging Fund	Capital Equipment Reserve Fund	K.S.A. 19-119		3,000
Road and Bridge Fund	Special Machinery Fund	K.S.A. 68-141g		5,000
Noxious Weed Fund	Capital Equipment Reserve Fund	K.S.A. 19-119		30,000
General Fund	Plumb Thicket Monitoring Fund	K.S.A. 19-120		1,047,126

NOTE 3 – RISK MANAGEMENT – CLAIMS AND JUDGMENTS

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

The County carries commercial insurance for other risks of loss, including property, general liability, inland marine, workmen's compensation, crime, umbrella, automobile, and fidelity bond coverage.

The County has elected not to obtain comprehensive and collision coverage on various County owned motor vehicles, due to the age of the vehicles.

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

NOTE 4 – LITIGATION

The County is party to various legal proceedings, such as foreclosure actions and tax appeals, which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the funds of the County.

NOTE 5 – GRANTS AND SHARED REVENUES

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

NOTE 6 – LANDFILL CLOSURE AND POST CLOSURE CARE COST

Harper County, Kansas has a Municipal Solid Waste Landfill that was closed on April 9, 1994. State and federal laws and regulations require **Harper County, Kansas** to perform certain maintenance and monitoring functions at the landfill site for thirty (30) years after closure. Estimates of future costs are not maintained for this closed landfill.

Harper County, Kansas maintains a small landfill for industrial and construction waste only. State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and perform certain maintenance and monitoring functions at the site for thirty (30) years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County has a potential liability for a portion of this closure and post closure care costs in each period based on the landfill capacities used as of each year end. At December 31, 2009, the estimated closure and post closure costs are $94,657.

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

NOTE 6 – LANDFILL CLOSURE AND POST CLOSURE CARE COST (continued)

The primary landfill commenced operations in February 2006. The landfill is owned and operated by Waste Connections, Inc. The County has negotiated a host agreement with Waste Connection, Inc. and as such, Waste Connections is solely responsible for closure, post-closure, financial and maintenance responsibilities in connection with the landfill. Furthermore, the County does not have any financial or environmental liability for the landfill.

NOTE 7 – COMPARATIVE DATA

Comparative data for the prior year has been presented in Statement 3 in the accompanying financial statements in order to provide an understanding of changes in the County's cash and unencumbered cash balances. However, complete comparative data (i.e., presentation of prior year totals in Statement 1) has not been presented since their inclusion would make the statement unduly complex and difficult to read.

NOTE 8 – JOINTLY GOVERNED ORGANIZATIONS

South Central Kansas Coalition for Public Health

Harper County, Kansas participates in the South Central Kansas Coalition for Public Health (Coalition), which is a jointly governed organization comprised of Barber, Comanche, Edwards, Harper, Kingman, Kiowa, and Pratt Counties. The Coalition is governed by an Executive Board composed of a County Commissioner of their representative from each of the respective counties, a consumer of medical services from each of the respective counties, and a provider of medical services from each of the respective counties. The Coalition was formed to create a larger base of operation from which to serve the public on an equal basis with the enhancement and development of core public health functions. The Coalition has received funding from the Kansas Department of Health and Environment and through other private foundations. Grant programs are administered by the Coalition through its member counties as sub-agencies.

Any member county of the Coalition may terminate its activities and membership by submitting a resolution declaring its intention to withdraw from the agreement no later than the first Friday in June of each year, and the withdrawal shall become effective at the end of such year. Should three or more of the member counties terminate its membership, the Coalition will terminate.

Mid-Kansas Transit District, Inc.

Harper County, Kansas participates in Mid-Kansas Transit District, Inc. (Transit District), a non-profit corporation, which is a jointly governed organization comprised of public transportation service providers in Harper, Kingman, Reno, Rice, and Sumner Counties. The Transit District is governed by its members who annually elect officers from its membership for the positions of Chairperson, Vice Chairperson, Secretary, and Treasurer. The Transit District was formed for the purpose of lessening government burden of state and federal funds to public and private not-for-profit agencies providing public transportation services. The Transit District receives funding from grant programs through the Kansas Department of Transportation, and such funding is then distributed to its membership. **Harper County, Kansas** provides administrative services to the Transit District and all grant funding received and expended by the Transit District is included within the Mid-Kansas Transit District Fund of the County.

NOTE 9 – MICRO LOAN FUND

The County administers a Micro Loan program which makes loans to businesses in Harper County. The loans bear interest ranging from 5.75% to 10.50% and have maturities ranging from 2 ½ to 7 years. The balance of these loans total $8,200 at December 31, 2009. This balance consists of two loans that have not had payments received in several years, and the County has substantial doubt as to their ability to collect these debts.

NOTE 10 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1) The County had an unencumbered cash balance of $(38,898) in the NRP Rebate Fund, which is in violation of K.S.A. 10-1113.

2) The County has checks outstanding greater than two years. This is a violation of K.S.A. 10-816.

3) Tax distributions were made five times during the year. The September distribution was made on the 25th; five days past the date set by K.S.A. 12-1678a.

4) Register of Deeds Office did not remit the mortgage registration fees daily to the Treasurer as per K.S.A. 79-3104.

NOTE 11 – LONG-TERM DEBT

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

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

11. LONG-TERM DEBT (continued)

Changes in Long-Term Liabilities for the year 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
Capital Leases										
2004 Volvo Loader	3.75%	07/23/04	112,392	07/23/09	$ 57,091	-	(57,091)	(57,091)	-	-
Komatsu PC200LC - 7L	3.81%	10/24/05	130,555	10/24/10	151,650	-	(48,342)	(48,342)	**103,308**	**6,824**
2006 Sterling Trucks 7501 (5)	4.50%	08/09/05	339,685	08/09/11	75,210	-	(13,865)	(13,865)	**61,345**	**2,866**
2007 JD670D Grader	4.25%	10/20/06	414,350	11/20/11	335,321	-	(30,908)	(30,908)	**304,413**	**14,050**
2007 JD670D Grader	4.25%	11/20/06	298,900	12/20/11	235,272	-	(25,147)	(25,147)	**210,125**	**9,821**
2007 JD670D Grader	4.25%	11/20/06	448,350	12/20/11	352,908	-	(37,720)	(37,720)	**315,188**	**14,732**
2007 Komatsu Loader	4.89%	05/15/07	65,608	08/15/12	63,122	-	(3,095)	(3,095)	**60,027**	**3,049**
2008 Caterpillar Track Loader	3.75%	06/24/08	213,843	06/24/13	200,406	-	(27,634)	(27,634)	**172,772**	**7,259**
2008 Komatsu Loader	4.00%	10/02/08	153,127	08/15/13	153,127	-	(12,988)	(12,988)	**140,139**	**4,479**
2008 Komatsu Dozer	3.50%	09/08/08	194,530	08/15/13	194,530	-	(24,153)	(24,153)	**170,377**	**5,488**
Total Capital Leases					1,818,637	-	(280,943)	(280,943)	**1,537,694**	**68,568**
Landfill Closure and Post Closure Care	N/A	N/A	N/A	N/A	88,166	6,491	-	6,491	**94,657**	-
Compensated Absences	N/A	N/A	N/A	N/A	73,928	8,238	-	8,238	**82,166**	-
Total Long-Term Debt					$ 1,980,731	14,729	(280,943)	(266,214)	**1,714,517**	**68,568**

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

	Year				
	2010	2011	2012	2013	Total
Principal					
Capital Leases					
Komatsu PC200LC - 7L	$ 61,345	-	-	-	61,345
2006 Sterling Trucks 7501 (5)	50,517	52,791	-	-	103,308
2007 JD670D Grader	32,248	272,165	-	-	304,413
2007 JD670D Grader	26,236	183,889	-	-	210,125
2007 JD670D Grader	39,354	275,834	-	-	315,188
2007 Komatsu Loader	3,249	3,409	53,369	-	60,027
2008 Caterpillar Track Loader	28,680	29,765	30,892	83,435	172,772
2008 Komatsu Loader	11,934	12,421	12,927	102,857	140,139
2008 Komatsu Dozer	23,842	24,690	25,569	96,276	170,377
Total Principal	277,405	854,964	122,757	282,568	1,537,694
Interest					
Capital Leases					
Komatsu PC200LC - 7L	2,655	-	-	-	2,655
2006 Sterling Trucks 7501 (5)	4,649	2,376	-	-	7,025
2007 JD670D Grader	12,710	11,313	-	-	24,023
2007 JD670D Grader	8,732	7,595	-	-	16,327
2007 JD670D Grader	13,097	11,392	-	-	24,489
2007 Komatsu Loader	2,896	2,735	2,776	-	8,407
2008 Caterpillar Track Loader	6,213	5,127	4,000	1,564	16,904
2008 Komatsu Loader	5,533	5,047	4,541	4,612	19,733
2008 Komatsu Dozer	5,798	4,951	4,072	3,366	18,187
Total Interest	62,283	50,536	15,389	9,542	137,750
Total Principal and Interest	$ 339,688	905,500	138,146	292,110	1,675,444

HARPER COUNTY, KANSAS

Supplementary Information

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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*

To the County Commissioners
Harper County, Kansas
Anthony, Kansas

We have audited the financial statements of **Harper County, Kansas** as of and for the year ended December 31, 2009 and have issued our report thereon dated July 19, 2010. The report on the audited financial statements was adverse because it was not presented in conformity with accounting principles generally accepted in the United States of America; however, it was unqualified as presented on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Except as discussed in the preceding sentence, we conducted our audit in accordance with the *Kansas Municipal Audit Guide*, auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **Harper County, Kansas'** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of **Harper County, Kansas'** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **Harper 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 of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control over financial reporting that we consider to be both a material weakness and significant deficiency.

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We identified a deficiency in internal control over financial reporting described in the accompanying schedule of findings and questioned costs listed as item 09-1 that we consider to be a material weakness and a significant deficiency in internal control over financial reporting.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether **Harper 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 noted certain matters that we have reported to management of **Harper County, Kansas**, in a separate letter dated July 19, 2010.

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

This report is intended solely for the information and use of the Harper County Commissioners, management of **Harper County, Kansas**, federal awarding agencies and pass through entities, and for filing with the Kansas Department of Administration, Division of Accounts and Reports and is not intended to be and should not be used by anyone other than these specified parties.

Adams, Brown, Beran & Ball

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

July 19, 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

To the County Commissioners
Harper County, Kansas
Anthony, Kansas

Compliance

We have audited the compliance of **Harper 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 its major federal program for the year ended December 31, 2009. **Harper County, Kansas'** major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of **Harper County, Kansas'** management. Our responsibility is to express an opinion on **Harper 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 *Kansas Municipal Audit Guide*; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards, the audit guide 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 **Harper 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 on **Harper County, Kansas'** compliance with those requirements.

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

Internal Control Over Compliance

The management of **Harper 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 **Harper 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **Harper County, Kansas'** internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the Harper County Commissioners, management of **Harper County, Kansas**, federal awarding agencies, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, and is not intended to be and should not be used by anyone other than these specified parties.

Adams, Brown, Beran + Ball

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

July 19, 2010

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of **Harper County, Kansas.**

2. One deficiency was disclosed during the audit of the financial statements reported in the Report on Internal Control Over Financial Reporting and on Compliance with Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*. This is a significant deficiency that is considered to be a material weakness.

3. No instances of noncompliance material to the financial statements of **Harper County, Kansas**, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

4. No significant deficiencies relating to the audit of the major federal award program are reported in the Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133.

5. The auditors' report on compliance for the major federal award program for **Harper County, Kansas**, expresses an unqualified opinion.

6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.

7. The program tested as a major program was the Disaster Grants – Public Assistance, CFDA #97.036.

8. The threshold for distinguishing Types A and B programs was $300,000.

9. **Harper County, Kansas**, does not qualify as a low risk auditee.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

Significant Deficiency that is Considered to be a Material Weakness

09-1 Segregation of Duties

Statement of Condition
Proper segregation of duties does not exist in the accounting system.

Criteria
Internal controls should be in place to insure that employees do not have incompatible duties.

Effect
Management may not become aware of problems or irregularities within a timely manner.

Cause
The County is unable to hire additional personnel due to its size.

B. FINDINGS – FINANCIAL STATEMENT AUDIT (continued)

Recommendation
Procedures should be established and implemented where the Organization implements segregation of duties in the receipts and expenditure cycles and implements additional internal controls.

Response – The County is aware that several employees have incompatible duties, however, due to their size, it would not be feasible to hire additional personnel.

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

No material findings or questioned costs are required to be disclosed under OMB Circular A-133

D. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

No material findings or questioned costs for the year ended December 31, 2008 are required to be disclosed under OMB Circular A-133.

HARPER COUNTY, KANSAS
Schedule of Expenditures of Federal Awards - Statutory Basis
For the Year Ended December 31, 2009

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Health and Human Services			
Passed Through State Department of Health and Environment			
Immunization Grants	93.268	264	$ 737
Public Health Emergency Preparedness	93.069	264	8,278
Hospital Preparedness Program	93.889	264	9,147
Maternal and Child Health Services Block Grant to the States	93.994	264	5,578
Child Care and Development Block Grant	93.575	264	3,388
Total U.S. Department of Health and Human Services			27,128
U.S. Department of Transportation			
Passed Through State Department of Transportation			
Safety Incentives to Prevent Operation of Motor Vehicles by Intoxicated Persons	20.605	OP-1160.10	2,000
U.S. Department of Homeland Security			
Passed Through State Division of Emergency Management			
Disaster Grants - Public Assistance	97.036	034	602,837
Emergency Management Performance Grant	97.042	034	34,536
State Homeland Security Grant Program	97.067	N/A	38,999
Total U.S. Department of Homeland Security			676,372
U.S. Department of Commerce			
Public Safety Interoperable Communications Grant Program	11.555	N/A	37,482
U.S. Department of Housing and Urban Development			
Passed Through State Department of Commerce			
Community Development Block Grants/State's Program	14.228	300	360,000
Total Expenditures of Federal Awards			$ **1,102,982**

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Harper County, Kansas**, and is presented on the basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than generally accepted accounting principles. 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.*