

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

POTTAWATOMIE COUNTY, KANSAS

December 31, 2009

Reese & Novelly, PA
Certified Public Accountants
Wamego, Kansas

Audited Financial Statements and Other Financial Information

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

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POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

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INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Pottawatomie County, Kansas

We have audited the accompanying statutory basis financial statements of Pottawatomie County, Kansas (County), as of and for the year ended December 31, 2009 as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note A, the County 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 effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Pottawatomie County, Kansas, as of December 31, 2009, the changes in its financial position, or, where applicable, its cash flows for the year then ended. Further, the County has not presented a management's discussion and analysis that accounting principles generally accepted in the United State has determined is necessary to supplement, although not required to be 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 the County, as of December 31, 2009, and their respective cash receipts and expenditures and budgetary results for the year then ended, on the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 17, 2010, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 an opinion on the financial statements taken as a whole that collectively comprise Pottawatomie County's statutory basis financial statements. The other financial information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the County. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the statutory basis financial statements of the County. The Other information listed in the table of contents and the schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the statutory basis financial statements and, in our opinion, are fairly stated in all material respects, in relation to the statutory basis financial statements taken as a whole.

Reese & Novelly, PA.

Wamego, Kansas
May 17, 2010

FINANCIAL STATEMENTS

**SUMMARY OF CASH RECEIPTS, EXPENDITURES AND
UNENCUMBERED CASH (STATEMENT 1)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

<u>FUNDS</u>	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts
Governmental Fund Types:			
General	\$ 7,626,917	\$ 106,397	\$ 18,406,838
Debt Service:			
Bond and Interest	435,951		750,706
Special Revenue:			
Emergency Telephone Service	38,454		65,731
Court Trustee	35,866		59
Regional Library	9,343		319,746
Rural Highway System	374,844		2,114,939
Tort Liability	93,255		105,903
Fair Association	658		27
Historical Society	89,042		40,426
Special Parks and Recreation	49,328		9,866
Special Alcohol Program	69,775		23,903
Regional Library Employee Benefit Fund	1,432		30,211
Noxious Weed Chemical	96,790		187,648
E-911	160,369		103,724
Special Highway Improvement	3,539,191		500,000
Attorney Check Fee	16,307		4,655
Attorney Forfeiture Fund	1,691		1,803
Law Enforcement Trust	6,106		7,468
Capital Improvement	6,434,455		500,000
Equipment Reserve	268,301		2,483
Prosecuting Attorney Training	6,213	33	2,041
Special Auto	158,964		181,906
Deeds Technology	77,272		41,801
Offender Registration Fund	1,820		320
TOTAL SPECIAL REVENUE	11,529,476	33	4,244,660
Capital Projects:			
Sunset Ridge Unit 2			150,060
Fire District #10 Building			141,537
Timber Creek Stormwater			45,252
Megan/Ashley Vineyard			229,360
Balderson Blvd Construction			8,528
Wam-Sag-Man Trail			8,620
TOTAL CAPITAL PROJECTS	-	-	583,357

See notes to financial statements.

Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
\$ 16,261,487	\$ 9,878,665	\$ 449,656	\$ 10,328,321
742,567	444,090		444,090
57,808	46,377		46,377
	35,925		35,925
321,238	7,851		7,851
1,861,194	628,589	3,374	631,963
88,276	110,882		110,882
450	235		235
40,954	88,514	6,498	95,012
1,950	57,244		57,244
16,600	77,078		77,078
30,469	1,174		1,174
161,248	123,190	12,990	136,180
189,507	74,586		74,586
536,006	3,503,185	483,973	3,987,158
3,922	17,040		17,040
142	3,352		3,352
4,398	9,176		9,176
93,272	6,841,183	39,706	6,880,889
14,899	255,885	60,873	316,758
	8,287		8,287
182,067	158,803		158,803
81,878	37,195		37,195
188	1,952		1,952
3,686,466	12,087,703	607,414	12,695,117
19,654	130,406		130,406
141,537	-		-
27,803	17,449		17,449
229,360	-		-
8,528	-		-
8,620	-		-
435,502	147,855	-	147,855

**SUMMARY OF CASH RECEIPTS, EXPENDITURES AND
UNENCUMBERED CASH (STATEMENT 1)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

<u>FUNDS</u>	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts
Proprietary fund types:			
Enterprise:			
Blue Township Sewer Operations	119,234	5,055	520,298
Blue Township Sewer Reserve	6,945		198,586
Timbercreek Water Operations	49,359	74	127,510
Timbercreek Water Reserve	144,098		42,580
Fostoria Sewer Operations	18,387		2,119
Fostoria Sewer Reserve	11,449		820
Brook Ridge Sewer Operations	42		1,911
Brook Ridge Sewer Maintenance	1,754		3,510
Brook Ridge Sewer Reserve	4,750		
TOTAL ENTERPRISE	356,018	5,129	897,334
TOTAL PRIMARY GOVERNMENT	19,948,362	111,559	24,882,895
Component Units:			
Fire Districts:			
Joint No. 1 General Fund	2,155		60,459
No. 2 General Fund	24,431		23,535
Joint No. 3 General Fund	26,582	123	36,906
Joint No. 4 General Fund	57,484	21	14,496
No. 5 General Fund	11,048	174	185,056
No. 6 General Fund	2,104	44	20,655
No. 7 General Fund	68,531	7	44,149
No. 8 General Fund	95,393	130	28,493
No. 10 General Fund	26,937		107,717
No. 10 Reserve	28,889		15,000
Pottawatomie County Economic Development Corporation			
	80,371		238,800
Pottawatomie County Extension Council			
	25,299		224,262
TOTAL COMPONENT UNITS	449,224	499	999,528
TOTAL REPORTING ENTITY	\$ 20,397,586	\$ 112,058	\$ 25,882,423

See notes to financial statements.

Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
558,896	85,691	1,000	86,691
98,723	106,808	3,390	110,198
122,893	54,050	450	54,500
	186,678		186,678
399	20,107		20,107
	12,269		12,269
922	1,031		1,031
3,091	2,173		2,173
	4,750		4,750
784,924	473,557	4,840	478,397
21,910,946	23,031,870	1,061,910	24,093,780
61,066	1,548		1,548
32,424	15,542		15,542
24,315	39,296		39,296
8,761	63,240		63,240
183,067	13,211	68,717	81,928
15,194	7,609		7,609
78,196	34,491		34,491
24,516	99,500		99,500
99,648	35,006	1,518	36,524
22,524	21,365		21,365
212,398	106,773	532	107,305
224,459	25,102		25,102
986,568	462,683	70,767	533,450
\$ 22,897,514	\$ 23,494,553	\$ 1,132,677	\$ 24,627,230

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH (STATEMENT 1)

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

Composition of Cash:

Checking accounts	\$ 6,212,788
Certificates of deposit	25,400,000
Municipal Investment Pool	12,000,000
Change fund and petty cash	850
Savings	9,072
Clerk of the District Court	135,788
Pottawatomie County Sheriff	1,716
Pottawatomie County Economic Development Corporation (Component Unit)	107,305
Pottawatomie County Extension Council (Component Unit)	<u>25,102</u>
TOTAL CASH	43,892,621
Agency Funds per Statement 4	<u>(19,265,391)</u>
TOTAL REPORTING ENTITY (EXCLUDING AGENCY)	<u><u>\$ 24,627,230</u></u>

See notes to financial statements.

**SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL
BUDGETED FUNDS ONLY (STATEMENT 2)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Certified Budget <u>(As Amended)</u>	Adjustment for Qualifying <u>Budget Credits</u>
Governmental Fund Types:		
General	\$ 19,890,406	\$ 577,814
Debt Service:		
Bond and Interest	1,182,716	
Special Revenue:		
Emergency Telephone Service	83,918	
Court Trustee	26,725	
Regional Library	321,238	
Rural Highway System	2,235,598	25,624
Tort Liability	140,928	
Fair Association	450	
Historical Society	56,266	
Special Parks and Recreation	35,190	
Special Alcohol Program	59,658	
Regional Library EMBF	30,469	
Noxious Weed Chemical	190,050	
E-911	152,556	49,645
Proprietary fund types:		
Enterprise:		
Blue Township Sewer Operations	572,075	
Timbercreek Water	159,300	2,734
Fostoria Sewer Operations	13,205	
Brook Ridge Sewer Operations	9,275	
Component Units:		
Fire Districts:		
Joint No. 1 General Fund	61,066	
No. 2 General Fund	38,050	
Joint No. 3 General Fund	56,789	2,000
Joint No. 4 General Fund	36,165	
No. 5 General Fund	183,091	2,231
No. 6 General Fund	20,894	
No. 7 General Fund	80,000	2,725
No. 8 General Fund	67,299	3,294
No. 10 General Fund	130,000	2,500

See notes to financial statements.

Total Budget for Comparison	Expenditures Chargeable to Current Year	Favorable (Unfavorable) Variance
\$ 20,468,220	\$ 16,261,487	\$ 4,206,733
1,182,716	742,567	440,149
83,918	57,808	26,110
26,725		26,725
321,238	321,238	-
2,261,222	1,861,194	400,028
140,928	88,276	52,652
450	450	-
56,266	40,954	15,312
35,190	1,950	33,240
59,658	16,600	43,058
30,469	30,469	-
190,050	161,248	28,802
202,201	189,507	12,694
572,075	558,896	13,179
162,034	122,893	39,141
13,205	399	12,806
9,275	922	8,353
61,066	61,066	-
38,050	32,424	5,626
58,789	24,315	34,474
36,165	8,761	27,404
185,322	183,067	2,255
20,894	15,194	5,700
82,725	78,196	4,529
70,593	24,516	46,077
132,500	99,648	32,852

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Taxes and shared revenue:			
Ad valorem tax	\$ 9,990,000	\$ 9,830,463	\$ (159,537)
Delinquent tax		81,925	81,925
In lieu of taxes		36,239	36,239
Local alcohol liquor tax	9,297	9,866	569
Mineral tax		260	260
Motor vehicle tax	387,461	518,061	130,600
Vehicle rent excise tax		11,342	11,342
Delinquent tax penalties	23,404	96,564	73,160
Sales and compensating use tax	2,100,000	2,824,413	724,413
Fines, forfeitures and penalties	1,000	2,430	1,430
City and county highway fund	775,000	751,640	(23,360)
16/20M vehicle tax	12,527	14,485	1,958
District Coroner fee	6,000	6,135	135
Recreation vehicle tax	13,001	13,507	506
TOTAL TAXES AND SHARED REVENUE	13,317,690	14,197,330	879,640
Licenses, permits and fees:			
Mortgage registration fees	250,000	433,348	183,348
Zoning permits	12,000	24,690	12,690
Filing fees		255	255
Other fees and permits	130,050	176,511	46,461
TOTAL LICENSES, PERMITS AND FEES	392,050	634,804	242,754
Charges for services:			
Minibus collections	5,000	4,413	(587)
Returned check charges	1,000	1,068	68
Transfer station charges	200,000	345,050	145,050
Contracts	50,000	222,450	172,450
Sales	15,000	11,822	(3,178)
TOTAL CHARGES FOR SERVICES	271,000	584,803	313,803

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Cash receipts - continued:			
Use of money and property:			
Interest	\$ 500,000	\$ 228,018	\$ (271,982)
Rent	1,000	1,284	284
Lease	15,000	9,768	(5,232)
TOTAL USE OF MONEY AND PROPERTY	516,000	239,070	(276,930)
Miscellaneous:			
Reimbursed expenses	20,000	186,222	166,222
Other	52,000	128,559	76,559
Special assessments	150,000	221,707	71,707
Health department receipts	42,000	64,544	22,544
Grant revenue		527,575	527,575
Operating transfers	1,300,000	1,622,224	322,224
TOTAL MISCELLANEOUS	1,564,000	2,750,831	1,186,831
TOTAL CASH RECEIPTS	16,060,740	18,406,838	2,346,098
Expenditures:			
Legislative:			
County Commission:			
Personnel services	77,850	77,847	3
Contractual services and other charges	12,100	12,095	5
Materials and supplies	650	620	30
TOTAL LEGISLATIVE	90,600	90,562	38
Judicial:			
County Attorney:			
Personnel services	290,500	286,218	4,282
Contractual services and other charges	48,385	33,515	14,870
Materials and supplies	19,625	13,636	5,989
Capital outlay	8,000	6,408	1,592
TOTAL COUNTY ATTORNEY	366,510	339,777	26,733

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Judicial - continued:			
Clerk of the District Court			
Contractual services and other charges	\$ 166,150	\$ 159,575	\$ 6,575
Materials and supplies	14,150	12,028	2,122
Capital outlay	9,000	8,537	463
TOTAL CLERK OF THE DISTRICT COURT	189,300	180,140	9,160
Court Services Officer:			
Contractual services and other charges	19,122	18,149	973
District Coroner:			
Personnel services	8,400	8,400	-
Contractual services and other charges	28,000	25,783	2,217
TOTAL DISTRICT CORONER	36,400	34,183	2,217
TOTAL JUDICIAL	611,332	572,249	39,083
Financial and Administrative:			
Financial Operations:			
Personnel services	315,000	299,362	15,638
Contractual services and other charges	121,000	100,942	20,058
Materials and supplies	13,000	7,548	5,452
Capital outlay	17,000	4,604	12,396
TOTAL FINANCIAL OPERATIONS	466,000	412,456	53,544
Appraiser:			
Personnel services	260,000	253,997	6,003
Contractual services and other charges	33,550	33,503	47
Materials and supplies	21,350	17,262	4,088
Capital outlay	3,300	2,483	817
TOTAL APPRAISER	318,200	307,245	10,955

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Financial and Administrative - continued:			
Geographic Information System:			
Personnel services	\$ 96,000	\$ 94,035	\$ 1,965
Contractual services and other charges	17,000	12,082	4,918
Materials and supplies	10,400	5,728	4,672
Capital outlay	4,000	1,478	2,522
TOTAL GEOGRAPHIC INFORMATION SYSTEMS			
	127,400	113,323	14,077
Building and Grounds:			
Personnel services	55,100	51,734	3,366
Contractual services and other charges	171,450	128,955	42,495
Materials and supplies	17,700	14,416	3,284
Capital outlay	15,600	13,283	2,317
TOTAL BUILDING AND GROUNDS			
	259,850	208,388	51,462
County Clerk:			
Personnel services	137,100	136,019	1,081
Contractual services and other charges	42,000	40,331	1,669
Materials and supplies	5,415	4,965	450
Capital outlay	2,185	2,180	5
TOTAL COUNTY CLERK			
	186,700	183,495	3,205
Register of Deeds:			
Personnel services	104,050	102,531	1,519
Contractual services and other charges	13,750	10,892	2,858
Materials and supplies	11,500	10,717	783
TOTAL REGISTER OF DEEDS			
	129,300	124,140	5,160

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Financial and Administrative - continued:			
Election Expense:			
Personnel services	\$ 1,050	\$ 1,046	\$ 4
Contractual services and other charges	21,350	20,019	1,331
Materials and supplies	19,325	4,669	14,656
Capital outlay	1,075	1,074	1
TOTAL ELECTION EXPENSE	42,800	26,808	15,992
Employee Benefits:			
Employee benefits	2,673,002	2,128,726	544,276
TOTAL EMPLOYEE BENEFITS	2,673,002	2,128,726	544,276
County Treasurer:			
Personnel services	154,000	153,002	998
Contractual services and other charges	23,500	22,230	1,270
Materials and supplies	4,500	4,181	319
TOTAL COUNTY TREASURER	182,000	179,413	2,587
Unclassified:			
Contractual services and other charges	608,000	115,976	492,024
Materials and supplies	2,000	1,912	88
Miscellaneous	15,250	15,203	47
Capital outlay	275,000	14,000	261,000
Transfer funds	1,943,875	558,666	1,385,209
TOTAL UNCLASSIFIED	2,844,125	705,757	2,138,368
Zoning and Planning:			
Personnel services	77,000	49,214	27,786
Contractual services and other charges	40,650	33,627	7,023
Materials and supplies	5,800	3,420	2,380
TOTAL ZONING AND PLANNING	123,450	86,261	37,189
TOTAL FINANCIAL AND ADMINISTRATIVE	7,352,827	4,476,012	2,876,815

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Public Safety:			
Ambulance Service:			
Contractual services and other charges	\$ 1,309,000	\$ 1,214,881	\$ 94,119
Capital outlay	160,000	126,330	33,670
TOTAL AMBULANCE SERVICE	1,469,000	1,341,211	127,789
First Responder:			
Contractual services and other charges	2,000		2,000
Inventory	1,500	360	1,140
Miscellaneous	2,000		2,000
Capital outlay	2,500		2,500
TOTAL FIRST RESPONDER	8,000	360	7,640
Local Emergency Management:			
Personnel services	53,500	40,658	12,842
Contractual services and other charges	32,900	27,572	5,328
Materials and supplies	12,400	6,146	6,254
Capital outlay	1,500	4,445	(2,945)
Adjustment for qualifying budget credit	10,148		10,148
TOTAL LOCAL EMERGENCY MANAGEMENT	110,448	78,821	31,627
Fire Supervisor:			
Personnel services	39,000	38,251	749
Contractual services and other charges	6,900	6,542	358
Materials and supplies	6,300	4,179	2,121
Capital outlay	500		500
Adjustment for qualifying budget credit	3,163		3,163
TOTAL FIRE SUPERVISOR	55,863	48,972	6,891

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Public Safety - continued:			
Sheriff:			
Personnel services	1,552,402	1,542,146	10,256
Contractual services and other charges	117,500	130,158	(12,658)
Materials and supplies	98,800	85,922	12,878
Capital outlay	194,000	489,344	(295,344)
Adjustment for qualifying budget credit	312,165		312,165
TOTAL SHERIFF	<u>2,274,867</u>	<u>2,247,570</u>	<u>27,297</u>
Detention Center:			
Personnel services	\$ 280,250	\$ 245,892	\$ 34,358
Contractual services and other charges	90,000	45,991	44,009
Materials and supplies	93,000	89,859	3,141
Capital outlay	2,000	900	1,100
TOTAL DETENTION CENTER	<u>465,250</u>	<u>382,642</u>	<u>82,608</u>
Juvenile Detention:			
Contractual services and other charges	79,000	26,515	52,485
Materials and supplies	1,000	268	732
TOTAL JUVENILE DETENTION	<u>80,000</u>	<u>26,783</u>	<u>53,217</u>
TOTAL PUBLIC SAFETY	<u>4,463,428</u>	<u>4,126,359</u>	<u>337,069</u>
Public Works:			
Cemeteries:			
Contractual services and other charges	10,000	9,595	405
Materials and supplies	3,000	2,734	266
TOTAL CEMETERIES	<u>13,000</u>	<u>12,329</u>	<u>671</u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Public Works - continued:			
Noxious Weed:			
Personnel services	180,500	145,900	34,600
Contractual services and other charges	36,900	26,039	10,861
Materials and supplies	104,150	103,474	676
Capital outlay	20,350	20,316	34
Adjustment for qualifying budget credit	1,261		1,261
TOTAL NOXIOUS WEED	343,161	295,729	47,432
Road and Bridge:			
Personnel services	\$ 1,900,000	\$ 1,721,087	\$ 178,913
Contractual services and other charges	893,073	762,731	130,342
Materials and supplies	1,695,500	1,550,080	145,420
Capital outlay	452,400	401,521	50,879
Transfer funds	500,000	500,000	-
Adjustment for qualifying budget credit	19,982		19,982
TOTAL ROAD AND BRIDGE	5,460,955	4,935,419	525,536
Solid Waste Disposal:			
Personnel services	84,000	75,661	8,339
Contractual services and other charges	357,900	264,137	93,763
Materials and supplies	21,050	18,359	2,691
Capital outlay	1,500		1,500
TOTAL SOLID WASTE DISPOSAL	464,450	358,157	106,293
TOTAL PUBLIC WORKS	6,281,566	5,601,634	679,932

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Health and Welfare:			
County Health:			
Personnel services	420,200	406,128	14,072
Contractual services and other charges	56,225	55,914	311
Materials and supplies	53,610	36,323	17,287
Capital Outlay	9,840	9,777	63
Adjustment for qualifying budget credit	168,172		168,172
TOTAL COUNTY HEALTH	708,047	508,142	199,905
Pawnee Mental Health			
Allocations	46,740	46,740	-
Big Lakes Development Services:			
Allocations	148,755	148,755	-
Council on Aging:			
Personnel services	\$ 76,000	\$ 79,501	\$ (3,501)
Contractual services and other charges	46,800	45,836	964
Materials and supplies	19,250	13,430	5,820
Allocations	24,000	22,200	1,800
Capital outlay	12,000	9,606	2,394
Adjustment for qualifying budget credit	55,865		55,865
TOTAL COUNCIL ON AGING	233,915	170,573	63,342
Environmental Health:			
Personnel services	42,500	46,468	(3,968)
Contractual services and other charges	5,650	4,030	1,620
Materials and supplies	6,675	3,071	3,604
Capital outlay	50	1,090	(1,040)
Adjustment for qualifying budget credit	7,058		7,058
TOTAL ENVIRONMENTAL HEALTH	61,933	54,659	7,274
TOTAL HEALTH AND WELFARE	1,199,390	928,869	270,521

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Culture and Recreation:			
County Park Operations:			
Contractual services and other charges	2,000	1,053	947
Materials and supplies	5,000	3,839	1,161
Capital outlay	1,500	910	590
TOTAL COUNTY PARK OPERATIONS	8,500	5,802	2,698
County Fair Operations:			
Allocations	85,000	85,000	-
TOTAL CULTURE AND RECREATION	93,500	90,802	2,698
Environment:			
Conservation District:			
Allocations	\$ 80,000	\$ 80,000	\$ -
Economic Development:			
Transfer to component unit	115,577	115,000	577
Extension Services:			
Transfer to component unit	180,000	180,000	-
TOTAL ENVIRONMENT	375,577	375,000	577
TOTAL EXPENDITURES	20,468,220	16,261,487	4,206,733
Receipts over (under) expenditures	(4,407,480)	2,145,351	6,552,831
Beginning Unencumbered Cash Balance	5,207,480	7,626,917	2,419,437
Adjustment to unencumbered cash for prior year cancelled encumbrances		106,397	106,397
Ending Unencumbered Cash Balance	\$ 800,000	\$ 9,878,665	\$ 9,078,665

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - BOND AND INTEREST
 DEBT SERVICE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Special assessments	\$ 821,155	\$ 721,959	\$ (99,196)
Delinquent tax		18,091	18,091
Operating transfers		10,656	10,656
	<u>821,155</u>	<u>750,706</u>	<u>(70,449)</u>
TOTAL CASH RECEIPTS	821,155	750,706	(70,449)
Expenditures:			
Principal	450,023	413,208	36,815
Interest	371,232	329,359	41,873
Cash reserve	361,461		361,461
	<u>1,182,716</u>	<u>742,567</u>	<u>440,149</u>
TOTAL EXPENDITURES	1,182,716	742,567	440,149
Receipts over (under) expenditures	(361,561)	8,139	369,700
Beginning Unencumbered Cash Balance	<u>361,561</u>	<u>435,951</u>	<u>74,390</u>
Ending Unencumbered Cash Balance	<u>\$ -</u>	<u>\$ 444,090</u>	<u>\$ 444,090</u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - EMERGENCY TELEPHONE SERVICE
 SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Emergency telephone tax	\$ 65,000	\$ 63,884	\$ (1,116)
Interest on idle funds		68	68
Other		1,779	1,779
TOTAL CASH RECEIPTS	65,000	65,731	731
Expenditures:			
Contractual services and other charges	65,000	49,955	15,045
Materials and supplies	1,000	353	647
Capital outlay	17,918	7,500	10,418
TOTAL EXPENDITURES	83,918	57,808	26,110
Receipts over (under) expenditures	(18,918)	7,923	26,841
Beginning Unencumbered Cash Balance	18,918	38,454	19,536
Ending Unencumbered Cash Balance	<u>\$ -</u>	<u>\$ 46,377</u>	<u>\$ 46,377</u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - COURT TRUSTEE
 SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
	<u> </u>	<u> </u>	<u> </u>
Cash Receipts:			
Interest on idle funds	\$	\$ 59	\$ 59
Expenditures:			
Personnel services	<u>26,725</u>	<u> </u>	<u>26,725</u>
Receipts over (under) expenditures	(26,725)	59	26,784
Beginning Unencumbered Cash Balance	<u>26,725</u>	<u>35,866</u>	<u>9,141</u>
Ending Unencumbered Cash Balance	<u>\$ -</u>	<u>\$ 35,925</u>	<u>\$ 35,925</u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - REGIONAL LIBRARY
 SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
	<u> </u>	<u> </u>	<u> </u>
Cash Receipts:			
Ad valorem tax	\$ 303,126	\$ 299,599	\$ (3,527)
Delinquent tax		1,730	1,730
Motor vehicle tax	11,915	17,451	5,536
16/20M vehicle tax	404	502	98
Recreation vehicle tax	429	464	35
	<u> </u>	<u> </u>	<u> </u>
TOTAL CASH RECEIPTS	315,874	319,746	3,872
	<u> </u>	<u> </u>	<u> </u>
Expenditures:			
Allocations	321,238	321,238	-
	<u> </u>	<u> </u>	<u> </u>
Receipts over (under) expenditures	(5,364)	(1,492)	3,872
Beginning Unencumbered Cash Balance	5,364	9,343	3,979
	<u> </u>	<u> </u>	<u> </u>
Ending Unencumbered Cash Balance	\$ -	\$ 7,851	\$ 7,851
	<u> </u>	<u> </u>	<u> </u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - RURAL HIGHWAY SYSTEM
SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 2,028,043	\$ 2,007,634	\$ (20,409)
Delinquent tax		8,254	8,254
Motor vehicle tax	64,788	92,851	28,063
16/20M vehicle tax	2,909	3,252	343
Recreation vehicle tax	2,457	2,641	184
Miscellaneous revenue		307	307
TOTAL CASH RECEIPTS	2,098,197	2,114,939	16,742
Expenditures:			
Contractual services and other charges	15,000	1,281	13,719
Materials and supplies	450,000	396,653	53,347
Transfer funds	1,770,598	1,463,260	307,338
Adjustment for qualifying budget credit	25,624		25,624
TOTAL EXPENDITURES	2,261,222	1,861,194	400,028
Receipts over (under) expenditures	(163,025)	253,745	416,770
Beginning Unencumbered Cash Balance	163,025	374,844	211,819
Ending Unencumbered Cash Balance	<u>\$ -</u>	<u>\$ 628,589</u>	<u>\$ 628,589</u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - TORT LIABILITY
SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Cash Receipts:			
Ad valorem tax	\$ 100,000	\$ 98,392	\$ (1,608)
Delinquent tax		918	918
Motor vehicle tax	4,668	6,259	1,591
16/20M vehicle tax	128	174	46
Recreation vehicle tax	157	160	3
	<u>104,953</u>	<u>105,903</u>	<u>950</u>
TOTAL CASH RECEIPTS			
Expenditures:			
Contractual services and other charges	140,928	88,276	52,652
	<u>140,928</u>	<u>88,276</u>	<u>52,652</u>
Receipts over (under) expenditures	(35,975)	17,627	53,602
Beginning Unencumbered Cash Balance	35,975	93,255	57,280
	<u>35,975</u>	<u>93,255</u>	<u>57,280</u>
Ending Unencumbered Cash Balance	\$ -	\$ 110,882	\$ 110,882
	<u>\$ -</u>	<u>\$ 110,882</u>	<u>\$ 110,882</u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - FAIR ASSOCIATION
 SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
	<u> </u>	<u> </u>	<u> </u>
Cash Receipts:			
Delinquent tax	\$	\$ 27	\$ 27
Expenditures:			
Allocations	<u>450</u>	<u>450</u>	<u>-</u>
Receipts over (under) expenditures	(450)	(423)	27
Beginning Unencumbered Cash Balance	<u>450</u>	<u>658</u>	<u>208</u>
Ending Unencumbered Cash Balance	<u>\$ -</u>	<u>\$ 235</u>	<u>\$ 235</u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - HISTORICAL SOCIETY
SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 38,824	\$ 38,135	\$ (689)
Delinquent tax		367	367
Motor vehicle tax		1,849	1,849
Vehicle rent excise tax		28	28
16/20M vehicle tax	112		(112)
Recreation vehicle tax		47	47
	<u>38,936</u>	<u>40,426</u>	<u>1,490</u>
TOTAL CASH RECEIPTS			
Expenditures:			
Materials and supplies	6,266		6,266
Allocations	50,000	40,954	9,046
	<u>56,266</u>	<u>40,954</u>	<u>15,312</u>
TOTAL EXPENDITURES			
Receipts over (under) expenditures	(17,330)	(528)	16,802
Beginning Unencumbered Cash Balance	<u>17,330</u>	<u>89,042</u>	<u>71,712</u>
Ending Unencumbered Cash Balance	<u>\$ -</u>	<u>\$ 88,514</u>	<u>\$ 88,514</u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - SPECIAL PARKS AND RECREATION
 SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Cash Receipts:			
Local alcohol liquor tax	\$ 9,297	\$ 9,866	\$ 569
Expenditures:			
Allocations	<u>35,190</u>	<u>1,950</u>	<u>33,240</u>
Receipts over (under) expenditures	(25,893)	7,916	33,809
Beginning Unencumbered Cash Balance	<u>25,893</u>	<u>49,328</u>	<u>23,435</u>
Ending Unencumbered Cash Balance	<u>\$ -</u>	<u>\$ 57,244</u>	<u>\$ 57,244</u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - SPECIAL ALCOHOL PROGRAM
 SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
	<u> </u>	<u> </u>	<u> </u>
Cash Receipts:			
Local alcohol liquor tax	\$ 23,348	\$ 23,903	\$ 555
Expenditures:			
Allocations	<u>59,658</u>	<u>16,600</u>	<u>43,058</u>
Receipts over (under) expenditures	(36,310)	7,303	43,613
Beginning Unencumbered Cash Balance	<u>36,310</u>	<u>69,775</u>	<u>33,465</u>
Ending Unencumbered Cash Balance	<u>\$ -</u>	<u>\$ 77,078</u>	<u>\$ 77,078</u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - REGIONAL LIBRARY EMPLOYEE BENEFIT FUND
 SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 29,035	\$ 28,607	\$ (428)
Delinquent tax		140	140
Motor vehicle tax	948	1,387	439
16/20M vehicle tax	30	40	10
Recreation vehicle tax	34	37	3
TOTAL CASH RECEIPTS	<u>30,047</u>	<u>30,211</u>	<u>164</u>
Expenditures:			
Allocations	<u>30,469</u>	<u>30,469</u>	<u>-</u>
Receipts over (under) expenditures	(422)	(258)	164
Beginning Unencumbered Cash Balance	<u>422</u>	<u>1,432</u>	<u>1,010</u>
Ending Unencumbered Cash Balance	<u>\$ -</u>	<u>\$ 1,174</u>	<u>\$ 1,174</u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - NOXIOUS WEED CHEMICAL
 SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Chemical sales	\$ 190,000	\$ 187,648	\$ (2,352)
Expenditures:			
Materials and supplies	177,060	148,258	28,802
Capital outlay	12,990	12,990	-
TOTAL EXPENDITURES	190,050	161,248	28,802
Receipts over (under) expenditures	(50)	26,400	26,450
Beginning Unencumbered Cash Balance	50	96,790	96,740
Ending Unencumbered Cash Balance	\$ -	\$ 123,190	\$ 123,190

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - E-911
 SPECIAL REVENUE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Licenses, Permits and Fees	\$ 50,000	\$ 53,854	\$ 3,854
Interest		225	225
Miscellaneous receipts		49,645	49,645
TOTAL CASH RECEIPTS	50,000	103,724	53,724
Expenditures:			
Contractual services and other charges	20,000	8,484	11,516
Capital outlay	132,556	181,023	(48,467)
Adjustment for qualifying budget credit	49,645		49,645
TOTAL EXPENDITURES	202,201	189,507	12,694
Receipts over (under) expenditures	(152,201)	(85,783)	66,418
Beginning Unencumbered Cash Balance	152,201	160,369	8,168
Ending Unencumbered Cash Balance	<u>\$ -</u>	<u>\$ 74,586</u>	<u>\$ 74,586</u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
NON-BUDGETED SPECIAL REVENUE FUNDS (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	<u>Special Highway Improvement</u>	<u>Attorney Check Fee</u>	<u>Attorney Forfeiture</u>	<u>Law Enforcement Trust Fund</u>
Cash Receipts:				
Licenses, Permits and Fees	\$	\$ 1,015	\$	\$
Miscellaneous receipts		3,640	1,803	7,468
Transfers	500,000			
TOTAL CASH RECEIPTS	<u>500,000</u>	<u>4,655</u>	<u>1,803</u>	<u>7,468</u>
Personnel expenditures				
Contractual services and other charges	536,006	3,922	142	4,398
Materials and supplies				
Capital outlay				
Miscellaneous				
Transfer funds				
TOTAL EXPENDITURES	<u>536,006</u>	<u>3,922</u>	<u>142</u>	<u>4,398</u>
Receipts over (under) expenditures	(36,006)	733	1,661	3,070
Beginning Unencumbered Cash Balance	3,539,191	16,307	1,691	6,106
Adjustment to unencumbered cash for prior year cancelled encumbrances				
Ending Unencumbered Cash Balance	<u>\$ 3,503,185</u>	<u>\$ 17,040</u>	<u>\$ 3,352</u>	<u>\$ 9,176</u>

See notes to financial statements.

<u>Capital Improvement</u>	<u>Equipment Reserve</u>	<u>Prosecuting Attorney Training</u>	<u>Special Auto</u>	<u>Deeds Technology</u>	<u>Offender Registration</u>
\$	\$	\$	\$ 181,906	\$	\$ 320
500,000	2,483	2,041		41,801	
500,000	2,483	2,041	181,906	41,801	320
84,518	6,325		14,063		
1,299			1,246	56,822	188
7,455	7,141		5,072	156	
	1,433		2,722	24,900	
			158,964		
93,272	14,899	-	182,067	81,878	188
406,728	(12,416)	2,041	(161)	(40,077)	132
6,434,455	268,301	6,213	158,964	77,272	1,820
		33			
<u>\$ 6,841,183</u>	<u>\$ 255,885</u>	<u>\$ 8,287</u>	<u>\$ 158,803</u>	<u>\$ 37,195</u>	<u>\$ 1,952</u>

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
CAPITAL PROJECT FUNDS - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Sunset Ridge Unit 2 Construction	Fire District #10 Building Construction	Timber Creek Stormwater
Cash Receipts:			
Interest	\$ 60	\$	\$
Reimbursed expenses			
Special assessments			225
Debt proceeds	150,000	141,537	
Transfers			45,027
	<u>150,060</u>	<u>141,537</u>	<u>45,252</u>
TOTAL CASH RECEIPTS			
Expenditures:			
Contractual services and other charges	19,654	141,537	27,803
Materials and supplies			
	<u>19,654</u>	<u>141,537</u>	<u>27,803</u>
TOTAL EXPENDITURES			
RECEIPTS OVER (UNDER) EXPENDITURES	130,406	-	17,449
Beginning Unencumbered Cash Balance			
Ending Unencumbered Cash Balance	<u>\$ 130,406</u>	<u>\$ -</u>	<u>\$ 17,449</u>

See notes to financial statements.

<u>Megan/Ashley Vineyard Construction</u>	<u>Balderson Blvd Construction</u>	<u>Wam-Sag-Man Trail Construction</u>
\$	\$	\$
	4,264	8,620
229,360	4,264	
<hr/>	<hr/>	<hr/>
229,360	8,528	8,620
<hr/>	<hr/>	<hr/>
227,386	6,699	8,620
1,974	1,829	
<hr/>	<hr/>	<hr/>
229,360	8,528	8,620
<hr/>	<hr/>	<hr/>
-	-	-
<hr/>	<hr/>	<hr/>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL - BLUE TOWNSHIP SEWER OPERATIONS
 ENTERPRISE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Cash receipts:			
Sewer fees	\$ 482,450	\$ 519,928	\$ 37,478
Other	300	370	70
TOTAL CASH RECEIPTS	<u>482,750</u>	<u>520,298</u>	<u>37,548</u>
Expenditures:			
Personnel services	45,000	48,640	(3,640)
Contractual services and other charges	141,000	152,268	(11,268)
Materials and supplies	46,075	36,444	9,631
Capital outlay	10,000		10,000
Transfer funds	100,000	99,837	163
Principal	230,000	221,707	8,293
TOTAL EXPENDITURES	<u>572,075</u>	<u>558,896</u>	<u>13,179</u>
Receipts over (under) expenditures	(89,325)	(38,598)	50,727
Beginning unencumbered cash balance	124,288	119,234	(5,054)
Adjustment to unencumberd cash for prior year cancelled encumbrances		5,055	5,055
Ending unencumbered cash balance	<u>\$ 34,963</u>	<u>\$ 85,691</u>	<u>\$ 50,728</u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BLUE TOWNSHIP SEWER RESERVE
ENTERPRISE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

Cash receipts:	
Other fees and permits	\$ 84,749
Reimbursed expenses	
Operating transfers	<u>113,837</u>
TOTAL CASH RECEIPTS	<u>198,586</u>
Contractual services and other charges	46,923
Materials and supplies	<u>51,800</u>
TOTAL EXPENDITURES	<u>98,723</u>
Receipts over (under) expenditures	99,863
Beginning Unencumbered Cash Balance	<u>6,945</u>
Ending Unencumbered Cash Balance	<u><u>\$ 106,808</u></u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - TIMBERCREEK WATER OPERATIONS
ENTERPRISE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Cash receipts:			
Water sales	\$ 137,000	\$ 124,410	\$ (12,590)
Reimbursed expenses		3,100	3,100
TOTAL CASH RECEIPTS	<u>137,000</u>	<u>127,510</u>	<u>(9,490)</u>
Expenditures:			
Personnel services	29,000	23,015	5,985
Contractual services and other charges	66,200	44,476	21,724
Materials and supplies	14,100	11,987	2,113
Capital outlay	6,000	835	5,165
Transfer funds	44,000	42,580	1,420
Adjustment for qualifying budget credit	2,734		2,734
TOTAL EXPENDITURES	<u>162,034</u>	<u>122,893</u>	<u>39,141</u>
Receipts over (under) expenditures	(25,034)	4,617	29,651
Beginning unencumbered cash balance	47,941	49,359	1,418
Adjustment to unencumbered cash for prior year cancelled encumbrances		74	74
Ending unencumbered cash balance	<u>\$ 22,907</u>	<u>\$ 54,050</u>	<u>\$ 31,143</u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
TIMBERCREEK WATER RESERVE
ENTERPRISE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

Cash Receipts:	
Transfers	<u>\$ 42,580</u>
Receipts over (under) expenditures	42,580
Beginning Unencumbered Cash Balance	<u>144,098</u>
Ending Unencumbered Cash Balance	<u><u>\$ 186,678</u></u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL -FOSTORIA SEWER OPERATIONS
 ENTERPRISE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
	<u> </u>	<u> </u>	<u> </u>
Cash receipts:			
Other	\$ 2,200	\$ 2,119	\$ (81)
Expenditures:			
Contractual services and other charges	500	399	101
Materials and supplies	12,705		12,705
TOTAL EXPENDITURES	<u>13,205</u>	<u>399</u>	<u>12,806</u>
Receipts over (under) expenditures	(11,005)	1,720	12,725
Beginning unencumbered cash balance	<u>11,005</u>	<u>18,387</u>	<u>7,382</u>
Ending unencumbered cash balance	<u>\$ -</u>	<u>\$ 20,107</u>	<u>\$ 20,107</u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
FOSTORIA SEWER RESERVE
ENTERPRISE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

Cash Receipts:	
Special assessments	<u>\$ 820</u>
Receipts over (under) expenditures	820
Beginning Unencumbered Cash Balance	<u>11,449</u>
Ending Unencumbered Cash Balance	<u><u>\$ 12,269</u></u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
 BUDGET AND ACTUAL -BROOK RIDGE SEWER OPERATIONS
 ENTERPRISE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Cash receipts:			
Sewer fees	\$ 5,063	\$ 1,411	\$ (3,652)
Operating transfers	5,000	500	(4,500)
	<u>10,063</u>	<u>1,911</u>	<u>(8,152)</u>
TOTAL CASH RECEIPTS			
Expenditures:			
Personnel services	4,000		4,000
Contractual services and other charges	4,375	893	3,482
Materials and supplies	900	29	871
	<u>9,275</u>	<u>922</u>	<u>8,353</u>
TOTAL EXPENDITURES			
Receipts over (under) expenditures	788	989	201
Beginning unencumbered cash balance		42	42
Ending unencumbered cash balance	<u>\$ 788</u>	<u>\$ 1,031</u>	<u>\$ 243</u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BROOK RIDGE SEWER MAINTENANCE
ENTERPRISE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

Cash receipts:	
Special assessments	<u>\$ 3,510</u>
Expenditures:	
Contractual services and other charges	<u> 3,091</u>
Receipts over (under) expenditures	419
Beginning unencumbered cash balance	<u> 1,754</u>
Ending unencumbered cash balance	<u><u> \$ 2,173</u></u>

See notes to financial statements.

**STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
BROOK RIDGE SEWER RESERVE
ENTERPRISE FUND - (STATEMENT 3)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

Cash receipts:

Expenditures:

Receipts over (under) expenditures	-
Beginning Unencumbered Cash Balance	<u>4,750</u>
Ending Unencumbered Cash Balance	<u><u>\$ 4,750</u></u>

See notes to financial statements.

**SUMMARY OF CASH RECEIPTS, CASH DISBURSEMENTS AND UNENCUMBERED
CASH - AGENCY FUNDS (STATEMENT 4)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
FUNDS				
Distributable funds:				
Ad valorem taxes:				
Current real estate	\$ 17,764,643	\$ 32,463,367	\$ 32,947,947	\$ 17,280,063
Current personal property	923,459	1,378,657	1,517,621	784,495
Current 16/20M vehicle	25,783	46,229	42,457	29,555
Delinquent real estate	71,426	339,481	300,848	110,059
Delinquent personal property	7,023	44,290	41,279	10,034
Delinquent 16/20M vehicle	18	1,429	865	582
Motor vehicle tax	394,460	1,758,556	1,745,085	407,931
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL DISTRIBUTABLE FUNDS	19,186,811	36,032,009	36,596,102	18,622,718
	<hr/>	<hr/>	<hr/>	<hr/>
State funds:				
State educational building		411,030	411,030	-
Institutional building		205,329	205,329	-
General fund	3	27	30	-
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL STATE FUNDS	3	616,386	616,389	-
	<hr/>	<hr/>	<hr/>	<hr/>
Subdivision funds:				
Cities	349,488	4,275,975	4,196,278	429,185
Townships		202,626	202,626	-
School districts		17,252,656	17,252,656	-
Hospital districts	608	1,183,107	1,183,715	-
Drainage districts	3,872	17,477	17,414	3,935
Cemetery districts	(5)	27,499	27,494	-
Watershed districts	841	188,346	188,289	898
Rural water supply district	9,456	196	580	9,072
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL SUBDIVISION FUNDS	364,260	23,147,882	23,069,052	443,090
	<hr/>	<hr/>	<hr/>	<hr/>

See notes to financial statements.

**SUMMARY OF CASH RECEIPTS, CASH DISBURSEMENTS AND UNENCUMBERED
CASH - AGENCY FUNDS (STATEMENT 4)**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

<u>FUNDS</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Other agency funds:				
Game licenses	\$ 57	\$ 2,977	\$ 3,034	-
Brook Ridge sewer agency		430	430	-
Motor vehicle licenses	(36)	1,305,362	1,305,326	-
Kansas drivers licenses	785	13,651	13,022	1,414
Cereal malt beverage stamp	50	350	275	125
Sales and compensating tax		551,687	501,199	50,488
Suspense		141		141
Unclaimed estates	4,934			4,934
Pottawatomie County activity	763	1,270	936	1,097
Over and under		72,685	72,685	-
District Clerk	111,280	675,376	650,868	135,788
Pottawatomie County Sheriff	1,730	34,872	34,886	1,716
Neighborhood revitalization	5	39,616	39,621	-
Community Development Block Grant		46,560	42,680	3,880
TOTAL OTHER AGENCY	<u>119,568</u>	<u>2,744,977</u>	<u>2,664,962</u>	<u>199,583</u>
TOTAL AGENCY FUNDS	<u><u>\$ 19,670,642</u></u>	<u><u>\$ 62,541,254</u></u>	<u><u>\$ 62,946,505</u></u>	<u><u>\$ 19,265,391</u></u>

See notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - COMPONENT UNIT
BUDGET AND ACTUAL - GENERAL FUND - (STATEMENT 5)**

POTTAWATOMIE COUNTY JOINT FIRE DISTRICT NO. 1

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 56,601	\$ 54,358	\$ (2,243)
Delinquent tax		362	362
Motor vehicle tax	2,551	4,203	1,652
Local ad valorem tax reduction		1,302	1,302
16/20M vehicle tax	154	165	11
Recreation vehicle tax	44	56	12
Other		13	13
TOTAL CASH RECEIPTS	<u>59,350</u>	<u>60,459</u>	<u>1,109</u>
Expenditures:			
Allocations	<u>61,066</u>	<u>61,066</u>	<u>-</u>
Receipts over (under) expenditures	(1,716)	(607)	1,109
Beginning Unencumbered Cash Balance	<u>1,716</u>	<u>2,155</u>	<u>439</u>
Ending Unencumbered Cash Balance	<u>\$ -</u>	<u>\$ 1,548</u>	<u>\$ 1,548</u>

See notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - COMPONENT UNIT
BUDGET AND ACTUAL - GENERAL FUND - (STATEMENT 5)**

POTTAWATOMIE COUNTY FIRE DISTRICT NO. 2

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 20,000	\$ 19,697	\$ (303)
Delinquent tax		307	307
Motor vehicle tax	1,200	1,596	396
16/20M vehicle tax	80	94	14
Recreation vehicle tax	95	66	(29)
Other		1,775	1,775
TOTAL CASH RECEIPTS	<u>21,375</u>	<u>23,535</u>	<u>2,160</u>
Expenditures:			
Contractual services and other charges	13,000	10,798	2,202
Materials and supplies	6,000	2,628	3,372
Capital outlay	19,050	18,998	52
TOTAL EXPENDITURES	<u>38,050</u>	<u>32,424</u>	<u>5,626</u>
Receipts over (under) expenditures	(16,675)	(8,889)	7,786
Beginning Unencumbered Cash Balance	<u>16,675</u>	<u>24,431</u>	<u>7,756</u>
Ending Unencumbered Cash Balance	<u>\$ -</u>	<u>\$ 15,542</u>	<u>\$ 15,542</u>

See notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - COMPONENT UNIT
BUDGET AND ACTUAL - GENERAL FUND - (STATEMENT 5)**

POTTAWATOMIE COUNTY JOINT FIRE DISTRICT NO. 3

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 27,000	\$ 26,590	\$ (410)
Delinquent tax		65	65
Motor vehicle tax	1,969	2,425	456
16/20M vehicle tax	211	208	(3)
Recreation vehicle tax	126	110	(16)
Other		3,503	3,503
Grant revenue		4,005	4,005
TOTAL CASH RECEIPTS	29,306	36,906	7,600
Expenditures:			
Contractual services and other charges	10,000	7,832	2,168
Materials and supplies	15,000	9,790	5,210
Capital outlay	31,789	6,693	25,096
Adjustment for qualifying budget credit	2,000		2,000
TOTAL EXPENDITURES	58,789	24,315	34,474
Receipts over (under) expenditures	(29,483)	12,591	42,074
Beginning Unencumbered Cash Balance	29,483	26,582	(2,901)
Adjustment to unencumbered cash for prior year cancelled encumbrances		123	123
Ending Unencumbered Cash Balance	<u>\$ -</u>	<u>\$ 39,296</u>	<u>\$ 39,296</u>

See notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - COMPONENT UNIT
BUDGET AND ACTUAL - GENERAL FUND - (STATEMENT 5)**

POTTAWATOMIE COUNTY JOINT FIRE DISTRICT NO. 4

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 13,000	\$ 13,002	\$ 2
Delinquent tax		74	74
Motor vehicle tax	1,138	1,264	126
16/20M vehicle tax	173	105	(68)
Recreation vehicle tax	30	21	(9)
Other		30	30
TOTAL CASH RECEIPTS	14,341	14,496	155
Expenditures:			
Personnel services	1,600	1,380	220
Contractual services and other charges	8,000	4,655	3,345
Materials and supplies	8,000	2,726	5,274
Capital outlay	18,565		18,565
TOTAL EXPENDITURES	36,165	8,761	27,404
Receipts over (under) expenditures	(21,824)	5,735	27,559
Beginning Unencumbered Cash Balance	21,824	57,484	35,660
Adjustment to unencumbered cash for prior year cancelled encumbrances		21	21
Ending Unencumbered Cash Balance	\$ -	\$ 63,240	\$ 63,240

See notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - COMPONENT UNIT
BUDGET AND ACTUAL - GENERAL FUND - (STATEMENT 5)**

POTTAWATOMIE COUNTY FIRE DISTRICT NO. 5

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 160,000	\$ 153,534	\$ (6,466)
Delinquent tax		1,665	1,665
Motor vehicle tax	14,159	22,259	8,100
16/20M vehicle tax	243	335	92
Recreation vehicle tax	397	487	90
Other	1,800	2,033	233
Grant revenue		4,743	4,743
TOTAL CASH RECEIPTS	176,599	185,056	8,457
Expenditures:			
Personnel services	4,300	4,185	115
Contractual services and other charges	23,000	21,477	1,523
Materials and supplies	100,550	102,401	(1,851)
Capital outlay	55,241	55,004	237
Adjustment for qualifying budget credit	2,231		2,231
TOTAL EXPENDITURES	185,322	183,067	2,255
Receipts over (under) expenditures	(8,723)	1,989	10,712
Beginning Unencumbered Cash Balance	8,723	11,048	2,325
Adjustment to unencumbered cash for prior year cancelled encumbrances		174	174
Ending Unencumbered Cash Balance	\$ -	\$ 13,211	\$ 13,211

See notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - COMPONENT UNIT
BUDGET AND ACTUAL - GENERAL FUND - (STATEMENT 5)**

POTTAWATOMIE COUNTY FIRE DISTRICT NO. 6

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 18,400	\$ 18,045	\$ (355)
Delinquent tax		378	378
Motor vehicle tax	1,474	1,825	351
16/20M vehicle tax	146	156	10
Recreation vehicle tax	96	73	(23)
Other		178	178
TOTAL CASH RECEIPTS	20,116	20,655	539
Expenditures:			
Personnel services	1,000	690	310
Contractual services and other charges	9,500	7,941	1,559
Materials and supplies	8,500	6,563	1,937
Capital outlay	1,894		1,894
TOTAL EXPENDITURES	20,894	15,194	5,700
Receipts over (under) expenditures	(778)	5,461	6,239
Beginning Unencumbered Cash Balance	778	2,104	1,326
Adjustment to unencumbered cash for prior year cancelled encumbrances		44	44
Ending Unencumbered Cash Balance	\$ -	\$ 7,609	\$ 7,609

See notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - COMPONENT UNIT
BUDGET AND ACTUAL - GENERAL FUND - (STATEMENT 5)**

POTTAWATOMIE COUNTY FIRE DISTRICT NO. 7

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 36,000	\$ 35,577	\$ (423)
Delinquent tax	295	343	48
Motor vehicle tax	5,000	5,124	124
16/20M vehicle tax	147	93	(54)
Recreation vehicle tax	131	150	19
Reimbursed expenses	72	2,862	2,790
TOTAL CASH RECEIPTS	41,645	44,149	2,504
Expenditures:			
Contractual services and other charges	21,000	21,583	(583)
Materials and supplies	12,000	9,713	2,287
Capital outlay	47,000	46,900	100
Adjustment for qualifying budget credit	2,725		2,725
TOTAL EXPENDITURES	82,725	78,196	4,529
Receipts over (under) expenditures	(41,080)	(34,047)	7,033
Beginning Unencumbered Cash Balance	71,256	68,531	(2,725)
Adjustment to unencumbered cash for prior year cancelled encumbrances		7	7
Ending Unencumbered Cash Balance	\$ 30,176	\$ 34,491	\$ 4,315

See notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - COMPONENT UNIT
BUDGET AND ACTUAL - GENERAL FUND - (STATEMENT 5)**

POTTAWATOMIE COUNTY FIRE DISTRICT NO. 8

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 25,000	\$ 25,010	\$ 10
Delinquent tax		7	7
Motor vehicle tax	74	91	17
16/20M vehicle tax	1	1	-
Recreation vehicle tax	4	4	-
Reimbursed expenses		3,380	3,380
TOTAL CASH RECEIPTS	25,079	28,493	3,414
Expenditures:			
Personnel services	2,000		2,000
Contractual services and other charges	20,000	15,830	4,170
Materials and supplies	10,000	8,686	1,314
Capital outlay	35,299		35,299
Adjustment for qualifying budget credit	3,294		3,294
TOTAL EXPENDITURES	70,593	24,516	46,077
Receipts over (under) expenditures	(45,514)	3,977	49,491
Beginning Unencumbered Cash Balance	45,514	95,393	49,879
Adjustment to unencumbered cash for prior year cancelled encumbrances		130	130
Ending Unencumbered Cash Balance	\$ -	\$ 99,500	\$ 99,500

See notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - COMPONENT UNIT
BUDGET AND ACTUAL - GENERAL FUND - (STATEMENT 5)**

POTTAWATOMIE COUNTY FIRE DISTRICT NO. 10

Year Ended December 31, 2009

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 78,000	\$ 75,405	\$ (2,595)
Delinquent tax	1,293	1,294	1
Motor vehicle tax	15,226	15,226	-
16/20M vehicle tax	314	265	(49)
Recreation vehicle tax	529	483	(46)
Other	15,044	15,044	-
TOTAL CASH RECEIPTS	110,406	107,717	(2,689)
Expenditures:			
Contractual services and other charges	60,000	57,635	2,365
Materials and supplies	30,000	25,224	4,776
Capital outlay	25,000	1,789	23,211
Transfer funds	15,000	15,000	-
Adjustment for qualifying budget credit	2,500		2,500
TOTAL EXPENDITURES	132,500	99,648	32,852
Receipts over (under) expenditures	(22,094)	8,069	30,163
Beginning Unencumbered Cash Balance	29,436	26,937	(2,499)
Ending Unencumbered Cash Balance	<u>\$ 7,342</u>	<u>\$ 35,006</u>	<u>\$ 27,664</u>

See notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
COMPONENT UNIT (STATEMENT 5)**

POTTAWATOMIE COUNTY FIRE DISTRICT NO. 10 RESERVE

Year Ended December 31, 2009

Cash Receipts:	
Transfers	<u>\$ 15,000</u>
Expenditures:	
Capital outlay	<u>22,524</u>
Receipts over (under) expenditures	(7,524)
Beginning Unencumbered Cash Balance	<u>28,889</u>
Ending Unencumbered Cash Balance	<u><u>\$ 21,365</u></u>

See notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
COMPONENT UNIT (STATEMENT 5)**

POTTAWATOMIE COUNTY ECONOMIC DEVELOPMENT CORPORATION

Year Ended December 31, 2009

Cash Receipts:	
Transfers from primary government	\$ 115,000
Proceeds from disposition of property	117,549
Rental income	5,500
Interest revenue	751
	<hr/>
TOTAL CASH RECEIPTS	238,800
	<hr/>
Expenditures:	
Personnel services	87,792
Employee benefits	7,229
Contractual services and other charges	110,811
Materials and supplies	6,302
Capital outlay	264
	<hr/>
TOTAL EXPENDITURES	212,398
	<hr/>
Receipts over (under) expenditures	26,402
	<hr/>
Beginning Unencumbered Cash Balance	80,371
	<hr/>
Ending Unencumbered Cash Balance	<u><u>\$ 106,773</u></u>

See notes to financial statements.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
COMPONENT UNIT (STATEMENT 5)**

POTTAWATOMIE COUNTY EXTENSION COUNCIL

Year Ended December 31, 2009

Cash Receipts:

Transfers from primary government	\$ 180,000
Interest revenue	444
Kansas State University reimbursement	36,300
Educational services	6,405
Grants	1,113

TOTAL CASH RECEIPTS 224,262

Expenditures:

Personnel services	112,441
Personnel services reimbursed by Kansas State University	36,300
Employee benefits	24,954
Contractual services and other charges	41,211
Contractual services and other charges - grant expenditures	3,842
Materials and supplies	5,711

TOTAL EXPENDITURES 224,459

Receipts over (under) expenditures (197)

Beginning Unencumbered Cash Balance 25,299

Ending Unencumbered Cash Balance \$ 25,102

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2009

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pottawatomie County, Kansas (County) is governed by an elected three-member commission. These financial statements present the County (the primary government) and its component units. The accounting policies of the County conform to the cash-basis and budget laws of Kansas. The following is a summary of the more significant policies:

1. The Financial Reporting Entity: The financial reporting entity of the County is comprised of the primary government (the County) and its component units.

The basic criterion for including a separate governmental entity in the County's financial reporting entity is the financial accountability of the County for the separate entity. The County is financially accountable if it appoints a voting majority of a component unit's governing body and if it either has the ability to impose its will on the component unit or there is a potential for the component unit to provide certain financial benefits to, or impose certain financial burdens on, the primary government.

The County's component units are discussed in Note A.5. and are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

2. Fund Accounting: The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

Governmental Funds

The General Fund is the general operating fund of the County. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds are used to account for the accumulation of financial resources for, and the payment of general long-term debt principal, interest, and related costs.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2009

Proprietary Funds

Enterprise Funds are used to account for operations that provide goods or services to the general public on a continuing basis. Such operations are financed and operated in a manner similar to private business enterprises and (a) are intended to be self supporting through charges to users or (b) the governing body has deemed it appropriate to account for them as enterprise funds for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Funds

Trust and Agency Funds are used to account for assets held by the County in a trust capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Included in this classification are distributable funds, which are used to account for tax receipts which are to be distributed to the other funds of the County and to the other political subdivisions within the County for whom the County acts as agent.

3. Basis of Presentation: The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances. 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 the 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 municipality to use the statutory basis of accounting.

Departure from Generally Accepted Accounting Principles: The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown non-cash assets such as receivables, inventories and prepaid expense; liabilities such as deferred revenue and matured principal and interest payable; and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with 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.

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2009

Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

4. Budgetary Information: Kansas statutes require that an annual operating budget be legally adopted for the general funds of the County and County Fire Districts, special revenue funds (unless specifically exempted by statute), and debt service funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:
 - a. Preparation of the budget for the succeeding calendar year on or before August 1st. At the County, this process begins in May when budget worksheets are mailed to each department. These budget worksheets are returned to the County Administrator's Office for compilation and verification in June. The County Commissioners review budgets by each department in June and July.
 - b. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
 - c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
 - d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of a 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.

The statutes permit transferring budgeted amounts between line items within an individual fund; County policy requires such transfers to be approved by the County Commissioners. However, 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 modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2009

A legal operating budget is not required for capital project funds, trust funds, and the following special revenue funds and enterprise funds:

- Special Highway Improvement
- Attorney Check Fee
- Attorney Forfeiture Fund
- Law Enforcement Trust
- Capital Improvement
- Equipment Reserve
- Prosecuting Attorney Training
- Special Auto
- Deeds Technology
- Blue Township Sewer Reserve
- Timbercreek Water Reserve
- Fostoria Sewer Reserve
- Brook Ridge Sewer Maintenance
- Brook Ridge Sewer Reserve

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

5. Discretely Presented Component Units: The component units section of the financial statements include the financial data of the County's component units which include the Fire Districts listed in the table of contents (Fire Districts), the Pottawatomie County Economic Development Corporation and the Pottawatomie County Extension Council. They are reported separately to emphasize that they are legally separate from the County. The governing bodies of the Fire Districts, and the Development Corporation are appointed by the County Commissioners. The Extension Council's budget is subject to approval by the County Commissioners.

Separate financial information on the Fire Districts may be obtained from the County Administrator. Separate financial statements of the Development Corporation may be obtained at its office in Wamego, Kansas. Separate financial statements of the Extension Council may be obtained at its office in Westmoreland, Kansas.

6. Special Assessments: Projects financed in part by special assessments are financed through general obligation bonds of the County and/or revolving loans issued by the Kansas Department of Transportation. Both of which are either retired from the General Fund or the Bond and Interest Debt Service Fund as appropriate. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the General Fund or the Bond and Interest Debt Service Fund as appropriate.

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2009

- 7. Investments: Investments are stated at cost, which approximates market.
- 8. Compensated Absences: The County provides certain vacation time benefits, i.e., paid time off, to full and part-time employees based upon length of service with the County and contractual agreements. Unused vacation time up to a maximum of 160 hours (unless stated otherwise in the employment contract) is paid to the employee or legal representative of the employee upon termination of employment, retirement or death. Payment of unused vacation time is based upon the employee's rate of pay at the time of termination, retirement or death. At December 31, 2009, the County's liability for unused vacation time is approximately \$299,936 attributable entirely to governmental funds.
- 9. Property Taxes: In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year.

NOTE B—DEPOSITS AND INVESTMENTS

As of December 31, 2009, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (in years)</u>	<u>Rating</u>
Certificates of Deposit	\$ 25,400,000	Less than 1 year	N/A
Kansas Municipal Investment Pool	\$ 12,000,000	Less than 1 year	S&P AAaf/S1+
Total Fair Value	<u>\$ 37,400,000</u>		

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 Government 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.

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2009

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

Concentration of credit risk: State statutes place no limit on the amount the County may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The County's allocation of investments as of December 31, 2009, is as follows:

<u>Investments</u>	<u>Percentage of Investments</u>
Certificates of Deposit	68%
Kansas Municipal Investment Pool	32%

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's designated "peak periods" are from December 3 – February 3 and April 15 – June 15. All deposits were legally secured at December 31, 2009.

At December 31, 2009, the carrying amount of the County's deposits, including certificates of deposit, was \$31,760,213 and the bank balance was \$32,380,714. The bank balance was held by seven banks which does not result in a concentration of credit risk. Of the bank balance, \$12,812,564 was covered by federal depository insurance, and the remaining \$19,568,149 was collateralized with securities held by the pledging financial institutions' agents in the County's name.

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

At December 31, 2009, the County had invested \$12,000,000 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2009

Component Units: The cash of the Fire Districts was held by the County in an agency capacity and is included in the above analyses.

At year-end, the carrying amount of the Pottawatomie County Economic Development’s deposits including certification of deposit was \$107,305 and the bank balance was \$107,565. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The entire bank balance was covered by FDIC insurance.

At year-end, the carrying amount of the Pottawatomie County Extension’s deposits was \$25,102 and the bank balance was \$48,872. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The entire bank balance was covered by FDIC insurance.

NOTE C—GENERAL LONG-TERM DEBT

The following is a summary of debt transactions of the County for the year ended December 31, 2009: (See Notes N and O for the schedules of long-term liabilities and current maturities of long-term debt)

	Beginning of Year	Issued	Retired	End of Year
General Obligation Bonds	\$ 6,699,329		\$ 360,700	\$ 6,338,629
Revolving Notes Payable	987,270	233,624	52,508	1,168,386
Temporary Notes	0	150,000		150,000
TOTAL LONG-TERM DEBT	\$ 7,686,599	\$ 383,624	\$ 413,208	\$ 7,657,015

The general obligation bonds encompass project related expenditures for general obligation (street improvements) in addition to expenditures related to the respective sewer and water districts (as allowed per K.S.A. 19-27a07 and 19-3540). The entire amount of the debt is accounted for in the General Debt Service fund. The amount of debt for each type is as follows:

	Water Districts	Sewer Districts	General Obligation	End of Year
General Obligation Bonds	1,005,555	1,514,781	3,818,293	6,338,629

Total interest expense for the year was \$329,353.

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2009

Bonded Indebtedness Limitation

Kansas statutes restrict the level of the authorized and outstanding bonded indebtedness of the County to not more than three percent of the assessed value of all tangible property within such county, as certified to the County Clerk on the preceding August 25.

Total assessed valuation as of November 17, 2008	\$	413,595,241
3% Debt Limit		12,407,857
Total Outstanding General Obligation Debt		6,338,629
Less portions excluded per K.S.A. 19-27a07 and 19-3540		(2,520,336)
Total Outstanding Eligible General Obligation Debt		<u>3,818,293</u>
General Obligation Debt Margin	\$	<u>8,589,564</u>

NOTE D—COMPONENT UNIT DEBT

Fire District #2 was obligated at December 31, 2009 for a capital lease of \$13,695, primarily covering equipment, expiring through 2012, at an imputed interest of 3.95 percent

Fire District #3 was obligated at December 31, 2009 for a capital lease of \$7,351, primarily covering equipment, expiring through 2011, at an imputed interest of 3.95 percent.

Fire District #5 was obligated at December 31, 2009 for capital leases of \$265,478, primarily covering equipment, expiring through 2018, at varying rates of imputed interest from 3.90 to 3.95 percent.

Fire District #7 was obligated at December 31, 2009 for a capital lease of \$105,000, primarily covering equipment, expiring through 2016, at an imputed interest of 4.675 percent.

Fire District #10 was obligated at December 31, 2009 for a capital lease of \$300,000, primarily covering construction of a new fire station, expiring through 2019, at an imputed interest of 3.92 percent.

Pottawatomie County Economic Development Corporation was obligated at December 31, 2009 for a mortgage note of \$70,883, for the purchase of real estate in St. Marys, Kansas, expiring through 2012, with an interest rate of 4.95 percent.

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2009

NOTE E—DEFINED BENEFIT PENSION PLAN

Plan Description: The County participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report (only one is issued) 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) or by calling 1-888-275-5737.

Funding Policy: K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4 percent of covered salary for employees hired before July 1, 2009 and 6 percent of covered salary for employees hired on or after July 1, 2009. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7 percent 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 and KP&F are funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates.

The KPERS employer rate established by statute for January 1, 2009 thru February 28, 2009 and December 1, 2009 thru December 31, 2009 was 6.54 percent. For the period of March 1, 2009 thru November 30, 2009 the state issued a moratorium on the employer's insurance contributions of 1 percent, setting the employer's rate to 5.54 percent. The County employer contributions to KPERS for the years ending December 31, 2009, 2008, and 2007, were \$263,576, \$242,980, and \$200,631, respectively, equal to the statutory required contributions for each year. The KP&F employer rate established for the calendar year beginning in 2009 was 13.51 percent. Employers participating in KP&F also make contributions to amortize the liability for past service costs, if any, which is determined separately for each participating employer. The County's employer contributions to KP&F for the years ending December 31, 2009, 2008, and 2007 were \$158,627, \$153,299, and \$135,431, respectively, equal to the required contributions for each year.

NOTE F—DEFERRED COMPENSATION

The County sponsors a salary deferral plan that covers all full-time employees who have met certain service requirements. Contributions to the plan with the exception of required matching contributions are at the discretion of the County commissioners. During 2009 the retirement plan expense was approximately \$68,685.

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2009

NOTE G—OTHER POST EMPLOYMENT BENEFIT

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 local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

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

NOTE H—CAPITAL PROJECTS

At year-end, capital project authorizations compared with expenditures from inception are as follows:

	Expenditures to Date	Project Authorizations
Sunset Ridge Unit 2	\$ 19,654	\$ 150,000
FD #10 Building	141,537	300,000
Timber Creek Stormwater	27,803	
Megan/Ashley Vineyard	229,360	344,938
Balderson Blvd	4,264	793,484
Wam-Sag-Man Trail	8,620	
	<hr/>	<hr/>
Total	\$ 431,238	\$ 1,588,422

NOTE I—COMMITMENTS AND CONTINGENCIES

Litigation—There are a number of claims and/or lawsuits to which the County is a party as a result of matters and complaints arising in the ordinary course of County activities. The County management and legal counsel anticipate that the potential claims against the County not covered by insurance, if any, resulting from such matters would not materially affect the financial position of the County.

Solid Waste Landfill Post-closure Care Costs—The County closed its solid waste facility and received approval over the period of 1993 through 1995. Any liability for post-closure care costs associated with the landfill has not been determined. The County incurs costs annually to monitor the closed facility.

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2009

Risk Management—The County is exposed to various risks of loss related to theft of, damage to, or destruction of assets; errors and omissions; injuries to employees and natural disasters. The County manages these various risks of loss through commercial insurance with varying deductibles. All deductibles are under \$5,000. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE J—BUDGETED FUNDS

The budgets for the Fire District #7 Wamego; Fire District #10 St George; and Blue Township Sewer Operations were amended during 2009. The Summary of Expenditures—Actual and Budget (Statement 2) and Statement of Cash Receipts and Expenditures (Statement 3 and Statement 5) reflects the amendments.

NOTE K— TRANSFERS

Operating transfers were as follows:

<u>FROM</u>	<u>TO</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	PC Economic Development	K.S.A. 1-4102	\$ 115,000
General Fund	PC Extension Services	K.S.A. 2-610	180,000
General Fund	Special Highway Fund	K.S.A. 68-590	500,000
General Fund	Capital Improvement Fund	K.S.A. 12-1, 118	500,000
General Fund	Equipment Reserve Fund	K.S.A. 12-1, 118	2,483
General Fund	Bond & Interest Fund	Equity transfer	55,683
General Fund	Brook Ridge Fund	Equity transfer	500
Rural Highway System	General Fund	K.S.A. 68-590	1,463,260
Utility Operations Funds	Utility Reserve Funds	K.S.A. 12-825d	99,837
Utility Operations Funds	Utility Reserve Funds	K.S.A. 12-825d	42,580
Fire District	Fire District Reserve Fund	K.S.A. 12-1, 118	15,000
Special Auto Fund	General Fund	K.S.A. 8-145b	158,964
			<u>\$ 3,133,307</u>

NOTE L—CONCENTRATIONS

The County receives approximately forty-six percent of its ad valorem taxes from one taxpayer who operates a coal burning electric generation plant located in the County.

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2009

NOTE M – MANAGEMENT’S REVIEW OF SUBSEQUENT EVENTS

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through May 17, 2010, the date the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2009

NOTE N - SCHEDULE OF LONG-TERM DEBT

The following is a schedule of changes in long-term debt for the County for the year ended December 31, 2009:

	Interest Rate	Date Issued	Original Amount	Date of Final Maturity
General Obligation Bonds				
1995 Fostoria	5.25%	10/19/1995	\$ 46,029	10/19/2035
1996-A Hunters Crossing III Timbercreek II Phase III	4.8/5.6%	8/1/1996	501,000	10/1/2016
1998 Hunters Crossing II	4.20/4.85%	9/1/1998	172,000	10/1/2013
2001-A Hunters Crossing III/ Timber Crk II, Phase 4A	4.15/5.62%	1/15/2001	625,000	10/1/2016
2001-B Hunters Crossing IIIB/ Eagles Landing I	3.90/5.30%	10/15/2001	560,000	10/1/2021
2002-A Timbercreek II Phase IVB	3.60/5.00%	5/1/2002	415,000	10/1/2017
2002-B Eagles Landing II	4.60/5.50%	9/15/2002	385,000	10/1/2022
2005-A Eagles Landing Unit III & IV	3.60/5.00%	4/1/2005	745,000	10/1/2025
2005-B Eagles Landing Unit V	4.05/5.50%	10/1/2005	300,000	10/1/2025
2006-A Eagles Landing Unit VI & VII	4.15/5.50%	6/15/2006	585,000	10/1/2026
2006-B Timbercreek Water Improv	3.80/5.25%	6/15/2006	550,000	10/1/2016
2006-C Elbo Crek Estates I/ Wildcat Woods I	3.65/5.00%	10/1/2006	1,805,000	10/1/2026
2007-A Sunset Ridge/Falling Leaf/ Eagles Landing 8	3.70/4.50%	3/15/2007	815,000	10/1/2027
2007-B Cedar Meadows/Country Breeze	3.80/4.75%	10/1/2007	120,000	10/1/2017
2008-A Brook Ridge	3.30/4.15%	6/1/2008	280,000	10/1/2023
2008-B Wildcat Woods II	4.00/5.10%	10/1/2008	180,000	10/1/2028
TOTAL GENERAL OBLIGATION BONDS			<u><u>8,084,029</u></u>	
Revolving Note Payable				
TR0058 Brook Ridge Phase 1	3.65%	11/1/2007	460,309	8/1/2023
TR0080 Pine Springs	3.75%	6/23/2008	181,149	8/1/2018
TR0081 Wildcat Woods	3.75%	6/23/2008	345,812	8/1/2028
TR0115 Balderson Blvd	3.95%	9/28/2009	793,484	8/1/2015
TR0128 Ashley/Megan Vineyards	3.91%	9/28/2009	344,938	8/1/2019
TOTAL REVOLVING NOTE PAYABLE			<u><u>2,125,692</u></u>	
Temporary Notes (series)				
2009-1 Sunset Ridge Unit 2	1.50%	12/1/2009	150,000	12/1/2010
TOTAL TEMPORARY NOTES			<u><u>150,000</u></u>	
Compensated absences (net change)				
TOTAL INDEBTEDNESS			<u><u>\$ 10,359,721</u></u>	

Outstanding January 1, 2009	Issued	Retired	Net Change	Outstanding December 31, 2009	Interest Paid
\$ 39,329		\$ 700	\$ (700)	\$ 38,629	\$ 2,065
200,000		25,000	(25,000)	175,000	11,050
50,000		10,000	(10,000)	40,000	2,370
390,000		40,000	(40,000)	350,000	17,965
425,000		25,000	(25,000)	400,000	19,280
285,000		25,000	(25,000)	260,000	12,403
310,000		15,000	(15,000)	295,000	14,365
670,000		25,000	(25,000)	645,000	28,090
270,000		10,000	(10,000)	260,000	12,228
545,000		20,000	(20,000)	525,000	25,370
460,000		50,000	(50,000)	410,000	18,867
1,695,000		60,000	(60,000)	1,635,000	69,469
790,000		25,000	(25,000)	765,000	32,045
110,000		10,000	(10,000)	100,000	4,635
280,000		15,000	(15,000)	265,000	14,303
180,000		5,000	(5,000)	175,000	8,465
<u>6,699,329</u>	<u>-</u>	<u>360,700</u>	<u>(360,700)</u>	<u>6,338,629</u>	<u>292,970</u>
460,309		23,160	(23,160)	437,149	17,952
181,149		15,772	(15,772)	165,377	6,562
345,812		13,576	(13,576)	332,236	11,869
	4,264		4,264	4,264	
	229,360		229,360	229,360	
<u>987,270</u>	<u>233,624</u>	<u>52,508</u>	<u>181,116</u>	<u>1,168,386</u>	<u>36,383</u>
	150,000		150,000	150,000	
-	150,000	-	150,000	150,000	-
339,071		39,135	(39,135)	299,936	
<u>\$ 8,025,670</u>	<u>\$ 383,624</u>	<u>\$ 452,343</u>	<u>\$ (68,719)</u>	<u>\$ 7,956,951</u>	<u>\$ 329,353</u>

NOTES TO FINANCIAL STATEMENTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2009

NOTE O: SCHEDULE OF MATURITY OF LONG TERM DEBT

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
PRINCIPAL					
General obligation bonds	370,800	390,800	415,800	430,900	440,900
Revolving loans	51,938	76,532	79,548	82,684	85,943
Temporary notes	<u>150,000</u>				
TOTAL PRINCIPAL	<u>572,738</u>	<u>467,332</u>	<u>495,348</u>	<u>513,584</u>	<u>526,843</u>
INTEREST					
General obligation bonds	272,638	255,553	239,000	220,002	201,877
Revolving loans	36,953	44,035	41,019	37,885	34,626
Temporary Notes	<u>2,250</u>				
TOTAL INTEREST	<u>311,841</u>	<u>299,588</u>	<u>280,019</u>	<u>257,887</u>	<u>236,503</u>
	<u>\$ 884,579</u>	<u>\$ 766,920</u>	<u>\$ 775,367</u>	<u>\$ 771,471</u>	<u>\$ 763,346</u>

<u>2015-2019</u>	<u>2020-2024</u>	<u>2025-2029</u>	<u>2030-2034</u>	<u>2035-2039</u>	<u>Total</u>
1,940,400	1,666,900	669,000	11,600	1,529	6,338,629
455,868	247,045	88,828			1,168,386
					150,000
<u>2,396,268</u>	<u>1,913,945</u>	<u>757,828</u>	<u>11,600</u>	<u>1,529</u>	<u>7,657,015</u>
734,021	358,535	53,911	2,292	80	2,337,909
119,844	44,630	8,817			367,809
					2,250
<u>853,865</u>	<u>403,165</u>	<u>62,728</u>	<u>2,292</u>	<u>80</u>	<u>2,707,968</u>
<u>\$ 3,250,133</u>	<u>\$ 2,317,110</u>	<u>\$ 820,556</u>	<u>\$ 13,892</u>	<u>\$ 1,609</u>	<u>\$ 10,364,983</u>

OTHER FINANCIAL INFORMATION

SCHEDULE A - COMPOSITION OF ENDING CASH BALANCES

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

COUNTY TREASURER

Checking account:

Farmers State Bank, Westmoreland \$ 6,212,788

Savings account:

First National Bank, Wamego 9,072

Certificates of deposits:

Union State Bank, Olsburg 400,000

Morrill & Janes, Onaga 7,000,000

Kaw Valley State Bank, Wamego 5,000,000

First National Bank, Wamego 5,000,000

St Marys State Bank, St. Marys 1,000,000

Kansas State Bank, Manhattan 7,000,000 25,400,000

Change fund and petty cash 850

Municipal Investment Pool 12,000,000

\$ 43,622,710

CLERK OF THE DISTRICT COURT

Checking:

Farmers State Bank, Westmoreland 135,788

POTTAWATOMIE COUNTY SHERIFF

Checking:

Farmers State Bank, Westmoreland 1,716

COMPONENT UNITS

Pottawatomie County Economic Development Corp. 107,305

Pottawatomie County Extension Council 25,102 132,407

TOTAL CASH BALANCES

\$ 43,892,621

See independent auditors' report.

SCHEDULE B—RECONCILIATION OF 2008 TAX ROLL

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

2008 Tax roll - as adjusted:

County Clerk's abstract of 2008 tax roll	\$ 35,051,575
Special assessments	1,372,466
16/20 M trucks	42,985
Personal Property under \$5	(746)
General tax differences	142
Adjustments to original tax roll:	
Added taxes	14,771
Abated taxes	(68,851)

Adjusted 2008 tax roll \$ 36,412,342

2008 tax roll - as accounted for:

Collections during 2008 through December 2008	\$ 19,408,413
Collections during 2009 through September 2009	16,422,789
Refunds through September 2009	(20,272)

Net tax roll collections 35,810,930

Delinquent personal property as of September 30, 2009	55,863
Delinquent real estate taxes as of September 30, 2009	545,549

Net delinquent taxes 601,412

2008 tax roll accounted for \$ 36,412,342

See independent auditors' report.

**SCHEDULE C - CASH RECEIPTS AND EXPENDITURES
CLERK OF THE DISTRICT COURT**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

Balance, Beginning of Year	<u>\$ 111,280</u>
Receipts:	
Judgements, restitutions, etc.	222,568
Clerk fees - State	167,841
Fines	114,169
Law enforcement training center	20,883
Refund	552
Law library	17,328
State attorney fee	36,910
County attorney fee	36,593
Other	34,651
Clerk fees - County	6,965
Marriage license fees	3,481
Interest	645
Prosecuting attorney training center	2,192
Indigent defense fees	4,896
Judicial branch surcharge	<u>15,424</u>
TOTAL RECEIPTS	<u>685,098</u>
Expenditures:	
To State Treasurer:	
Clerk fees	167,841
Fines	114,169
Law enforcement training center	20,883
State attorney fees	36,910
Marriage license fees	3,481
Interest	718
Reinstatement fees	1,851
Indigent defense fees	<u>4,896</u>
TOTAL EXPENDITURES TO STATE TREASURER	<u>350,749</u>

See independent auditors' report.

**SCHEDULE C - CASH RECEIPTS AND EXPENDITURES
CLERK OF THE DISTRICT COURT**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

Expenditures:

To County Treasurer:

County attorney fees	\$	36,593
Other		32,650
Refund		552
Law library		17,328
Clerk fees		6,965
Prosecuting attorney training		2,192

TOTAL EXPENDITURES TO COUNTY TREASURER 96,280

Judgement, restitutions and other	198,137
Judicial branch surcharge	15,424

213,561

TOTAL EXPENDITURES 660,590

BALANCE, END OF YEAR \$ 135,788

Composition of ending balance:

Cash in Farmers State Bank, Westmoreland, Kansas	\$	135,788
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See independent auditors' report.

**SCHEDULE C - CASH RECEIPTS AND EXPENDITURES
COUNTY SHERIFF**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

Balance, Beginning of Year	<u>\$ 1,730</u>
Receipts:	
VIN fees	11,860
Miscellaneous fees	12,428
Sheriff's fees	7,824
Concealed carry fees	<u>2,760</u>
TOTAL RECEIPTS	<u>34,872</u>
Expenditures:	
To County Treasurer:	
VIN fees	11,650
Sheriff's fees	7,826
Concealed carry fees	<u>2,960</u>
TOTAL EXPENDITURES TO COUNTY TREASURER	22,436
Other expenditures	<u>12,450</u>
TOTAL EXPENDITURES	<u>34,886</u>
BALANCE, END OF YEAR	<u><u>\$ 1,716</u></u>
Composition of ending balance:	
Cash in Farmers State Bank, Westmoreland, Kansas	<u><u>\$ 1,716</u></u>

See independent auditors' report.

**SCHEDULE D—ACCOUNTS RECEIVABLE-CHARGES, CREDITS AND BALANCE
COUNTY ENGINEER**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

Balance, January 1, 2009	\$	-
Add charges:		
Sales of services, material and equipment		289,550
Less credits:		
Collected on account		<u>289,550</u>
Ending Balance, December 31, 2009	\$	<u><u>-</u></u>

See independent auditors' report.

**SCHEDULE D—ACCOUNTS RECEIVABLE-CHARGES, CREDITS AND BALANCE
NOXIOUS WEED**

POTTAWATOMIE COUNTY, KANSAS

Year Ended December 31, 2009

Balance, January 1, 2009	\$	3,154
Add charges:		
Sales of services, material and equipment		189,108
Less credits:		
Collected on account		<u>187,866</u>
Ending Balance, December 31, 2009	\$	<u><u>4,396</u></u>

See independent auditors' report.

**GOVERNMENTAL AUDITING STANDARDS AND
SINGLE AUDIT REQUIREMENTS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

POTTAWATOMIE COUNTY, KANSAS

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 Kansas Department of Health & Environment:			
Child Care and Development Block Grant	93.575		\$ 7,404
Maternal and Child Health Service Block Grant	93.994		14,805
Family Planning Services	93.217		15,906
Immunization Grants	93.268		5,204
Public Health Emergency Preparedness	93.069		51,572
Preventive Health and Health Service Block Grant	93.991		7,707
Early Detection Works	N/A		1,673
Passed Through Kansas Department of Social and Rehabilitation Services:			
Children's Justice Grant	93.643		1,891
Federal Emergency Management Agency			
Passed through Kansas Department of Emergency Management:			
Public Assistance Disaster Grants	97.036		19,673
Emergency Management Performance Grant	97.042		10,759
Citizens Corp Grant	N/A		1,082
US Department of Homeland Security			
Assistance Firefighters Grants	97.044		
Pass through Kansas Highway Patrol			
Buffer Zone Protection Program (BZPP)	97.078		230,271
US Department of Transportation			
Passed through Kansas Department of Transportation:			
Formula Grants for Other Than Urbanized Areas (ARRA)	**20.509		40,873
US Department of Justice			
Bulletproof Vest Partnership Program	16.607		1,101
Edward Byrne Memorial Justice Assistance Grant (ARRA)	**16.804		25,677
COPS Technology Program (ARRA)	**16.710		93,530
Passed through Kansas Department of Transportation:			
Enforcing Underage Drinking Laws Program	16.727		3,193

See independent auditors' report.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

POTTAWATOMIE COUNTY, KANSAS

For the Year Ended December 31, 2009

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass- through Grantor's Number	Federal Expenditures
US Fish and Wildlife Services			
Passed through Kansas Department of Wildlife & Parks			
Sports Fish Restoration Program	15.605		1,261
US Department of Agriculture			
Passed through Kansas Forest Services			
Cooperative Forestry Assistance	10.664		6,731
TOTAL FEDERAL EXPENDITURES			\$ 540,313
Federal Funding Sources:			
** American Recovery & Reinvestment Act Funds (ARRA)			160,080
Non-ARRA Funds			380,233
TOTAL FEDERAL EXPENDITURES			\$ 540,313

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARD:

NOTE 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Pottawatomie County under programs of the federal government for the year ended December 31, 2009. The information in this schedule is presented in accordance with requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Entity*, it is not intended to and does not present the financial position, changes in net assets or cash flows of the County.

NOTE 2: Summary of Significant Accounting Policies

As described more fully in Note A, the County has prepared the 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 expenditures reported in the Schedule are reported on the statutory basis of accounting.

See independent auditor's report.



REESE & NOVELLY, P.A.

Certified Public Accountants

Rick J. Reese, CPA
Nicholas J. Novelly, CPA
Carol E. McCullough, CPA
Russell V. Varnado, CPA

Annette D. Fiedler, CPA
Patricia E. Ungebeuer, CPA
Melanie L. Tuttle, CPA

**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**

Board of County Commissioners
Pottawatomie County, Kansas

We have audited the accompanying statutory basis financial statements of Pottawatomie County (County) as of and for the year ended December 31, 2009, and have issued our report thereon dated May 17, 2010. As described more fully in Note A, the County has prepared these financial statements using accounting practices prescribed and permitted by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit Guide*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the method of accounting adopted by the County such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

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

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

Compliance and Other Matters

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

We noted certain matters that we reported to management of the County, in a separate letter dated May 17, 2010.

This report is intended solely for the information and use of management, the County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Reese? Novelly, PA

Manhattan, Kansas
May 17, 2010



REESE & NOVELLY, P.A.
Certified Public Accountants

Rick I. Reese, CPA
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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**

Board of County Commissioners
Pottawatomie County, Kansas

Compliance

We have audited the compliance of the Pottawatomie County, Kansas (County), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. As described more fully in Note A, the County has prepared these financial statements using accounting practices prescribed and permitted by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

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

Internal Control Over Compliance

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

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

We noted certain matters that we reported to management of Pottawatomie County, in a separate letter dated May 17, 2010.

This report is intended solely for the information and use of the County Commissioners, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Reese : Navelly, PA

Manhattan, Kansas
May 17, 2010

SUMMARY SCHEDULE OF FINDINGS AND QUESTIONED COSTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2009

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the statutory basis financial statements, as listed in the table of contents of Pottawatomie County, Kansas.
2. No instances of significant deficiency were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Pottawatomie County, Kansas were disclosed during the audit.
4. No instances of significant deficiency were disclosed during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for Pottawatomie County, Kansas expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for Pottawatomie County, Kansas were reported in Part C of this Schedule (Section .510 (a) of the OMB Circular A-133).
7. The programs tested as major programs included:
 - (a) US Department of Homeland Security (passed through Kansas Highway Patrol) – Buffer Zone Protection Program Federal – CFDA No. 97.078
 - (b) US Department of Justice (ARRA) – COPS Technology Program – CFDA No. 16.710
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Pottawatomie County, Kansas was not determined to be a low-risk auditee.

B. FINDINGS—FINANCIAL STATEMENTS AUDIT

NONE

C. MAJOR FEDERAL AWARD PROGRAM-FINDINGS AND QUESTIONED COSTS

NONE

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

POTTAWATOMIE COUNTY, KANSAS

December 31, 2009

A. FINDINGS—FINANCIAL STATEMENTS AUDIT

NONE

B. MAJOR FEDERAL AWARD PROGRAM-FINDINGS AND QUESTIONED COSTS

NONE