

MIAMI COUNTY, KANSAS

FINANCIAL STATEMENTS
AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2008

Miami County, Kansas

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of County Commissioners
Miami County
Paola, Kansas

We have audited the accompanying financial statements of the individual funds of Miami County, Kansas, as of and for the year ended December 31, 2008, as listed in the table of contents. These statutory basis financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these statutory basis financial statements based on our audit.

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

As described in Note I-B, the County prepared these financial statements using accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the statutory basis financial statements of the differences between the regulatory basis of accounting and accounting principles generally accepted in the United States of America are described in Note I-B.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Miami County, Kansas, as of December 31, 2008, or the changes in its financial position or, where applicable, its cash flows for the year then ended.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and unencumbered cash balances of the individual funds of Miami County, Kansas as of December 31, 2008, and its cash receipts and expenditures and budgetary results, for the year then ended on the basis of accounting described in Note I-B

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2009 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Miami County, Kansas's statutory basis financial statements. The information presented as supplemental information is presented for purposes of additional analysis and is not a required part of the statutory basis financial statements. Such information has been subjected to the auditing procedures applied in the audit of the statutory basis financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Ayer & Baudert, Chartered

March 30, 2009

Miami County, Kansas

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH For the Year Ended December 31, 2008

	<u>Beginning Unencumbered Cash Balances</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Cash Receipts</u>	<u>Expenditures</u>
Governmental type funds				
General Fund	\$ 3,536,349	\$ 0	\$ 12,895,762	\$ 13,073,592
Special Revenue Funds				
Road and Bridge	1,505,546	0	7,174,500	7,243,723
Solid Waste	91,460	0	929,171	940,320
County Fuel System	191,274	0	800,417	737,432
Club Estates #1 Sewer	10,827	0	15,159	10,527
Club Estates #1 Lights	13,277	0	0	749
Walnut Creek #3 Sewer	12,702	0	15,451	13,969
Bucyrus Sewer	1,189	0	36,823	34,918
911 Emergency Wireless	76,008	0	73,400	76,000
Law Enforcement Trust	2,063	0	1,150	931
Carry Concealed Weapon	10,484	0	5,321	9,500
County Wide Reappraisal	49,442	0	531,667	485,311
Motor Vehicle Operating	0	0	282,374	282,374
Special Building	399	0	0	0
Special Bridge	280,794	0	650,860	830,549
Special Economic Development Reserve	50,000	0	0	0
Road and Bridge Special Machinery	324,185	0	34,985	233,616
Equipment Reserve	465,294	0	72,406	74,278
Special Technology	115,591	0	220,000	196,772
Special Building Improvement	733,725	0	0	0
Special Retirement	50,000	0	25,000	0
Walnut Creek Sewer Reserve	18,154	0	5,000	0
Fire District No. 1 Maintenance	6,789	0	597,531	587,490
Fire District No. 2 Maintenance	5,606	0	148,346	135,000
Fire District No. 1 Special Machinery	491,751	0	222,131	214,000
Fire District No. 2 Special Machinery	147,500	0	0	20,254
Special Alcohol Control	23,265	0	38,866	24,000
Special Drug Forfeiture	0	0	750	537
Bucyrus Lights	813	0	1,134	1,947
Hillsdale Lights	623	0	4,403	4,500
1/4 Cent Sales Tax	1,194,353	0	856,636	2,049,828
Local Environmental Protection Plan	4,482	0	15,593	12,802
Community Corrections	21,006	0	416,151	347,413
Juvenile Justice Authority	44,117	0	602,341	458,832
Micro Loan Program	8,977	0	2,700	0
Sex Offender Management	2,301	0	0	2,284
Sheriff Grant	5,049	0	18,298	19,200
Cops for Tots	30,337	0	23,561	30,479
Sheriff's Support Program	6,380	0	7,255	10,758
Economic Development	0	0	18,922	18,922
Debt Service Funds				
Bond and interest	147,902	0	2,482,689	2,413,133
Capital Projects Funds				
New Projects	2,642,922	0	4,134,999	4,361,118
Public Building Commission	202	0	4,353,373	4,353,575

The accompanying notes are an integral part of this statement.

<u>Ending Unencumbered Cash Balance</u>	Add Outstanding Encumbrances and Accounts Payable	<u>Ending Cash Balance</u>	
\$ 3,358,519	\$ 387,357	\$ 3,745,876	Composition of ending cash
1,436,323	179,295	1,615,618	Cash on hand and checks \$ 153,119
80,311	79,869	160,180	Time deposits
254,259	13,568	267,827	Checking/Now accounts 24,099,760
15,459	205	15,664	Savings 534,696
12,528	0	12,528	Certificates of Deposit 13,000,000
14,184	243	14,427	Agency accounts 238,633
3,094	387	3,481	Component Unit:
73,408	672	74,080	Miami County Extension Council <u>105,217</u>
2,282	0	2,282	
6,305	495	6,800	Total cash and investments 38,131,425
95,798	23,299	119,097	Agency funds per
0	4,845	4,845	Statement 4 <u>(24,803,566)</u>
399	0	399	
101,105	0	101,105	<u>\$ 13,327,859</u>
50,000	0	50,000	
125,554	0	125,554	
463,422	726	464,148	
138,819	6,094	144,913	
733,725	0	733,725	
75,000	0	75,000	
23,154	0	23,154	
16,830	31,434	48,264	
18,952	0	18,952	
499,882	0	499,882	
127,246	0	127,246	
38,131	0	38,131	
213	0	213	
0	0	0	
526	0	526	
1,161	0	1,161	
7,273	5,125	12,398	
89,744	11,777	101,521	
187,626	11,460	199,086	
11,677	0	11,677	
17	0	17	
4,147	0	4,147	
23,419	10,513	33,932	
2,877	0	2,877	
0	0	0	
217,458	0	217,458	
2,416,803	1,727,648	4,144,451	
0	0	0	

Miami County, Kansas

**SUMMARY OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
For the Year Ended December 31, 2008**

Component Unit	<u>Beginning Unencumbered Cash Balances</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Cash Receipts</u>	<u>Expenditures</u>
Miami County Extension Council	\$ <u>96,056</u>	\$ <u>0</u>	\$ <u>294,879</u>	\$ <u>285,718</u>
Total reporting entity (excluding agency funds)	\$ <u><u>12,419,194</u></u>	\$ <u><u>0</u></u>	\$ <u><u>38,010,004</u></u>	\$ <u><u>39,596,351</u></u>

The accompanying notes are an integral part of this statement.

<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
\$ <u>105,217</u>	\$ <u>0</u>	\$ <u>105,217</u>
\$ <u>10,832,847</u>	\$ <u>2,495,012</u>	\$ <u>13,327,859</u>

Miami County, Kansas

Statement 2

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

(Budgeted Funds Only)

For the Year Ended December 31, 2008

	<u>Certified Budget</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
Governmental type funds				
General Fund	\$ 14,624,348	\$ 14,624,348	\$ 13,073,592	\$ 1,550,756
Special Revenue Funds				
Road and Bridge	7,515,679	7,515,679	7,243,723	271,956
Solid Waste	940,320	940,320	940,320	0
County Fuel System	738,000	738,000	737,432	568
Club Estates #1 Sewer	16,000	16,000	10,527	5,473
Club Estates #1 Lights	750	750	749	1
Walnut Creek #3 Sewer	14,500	14,500	13,969	531
Bucyrus Sewer	40,225	40,225	34,918	5,307
911 Emergency Wireless	76,000	76,000	76,000	0
Carry Concealed Weapon	9,500	9,500	9,500	0
County Wide Reappraisal	520,090	520,090	485,311	34,779
Motor Vehicle Operating	288,000	288,000	282,374	5,626
Special Bridge	940,000	940,000	830,549	109,451
Road and Bridge Special Machinery	233,616	233,616	233,616	0
Equipment Reserve	100,000	100,000	74,278	25,722
Special Technology	370,500	370,500	196,772	173,728
Special Retirement	0	0	0	0
Walnut Creek Sewer Reserve	0	0	0	0
Fire District No. 1 Maintenance	587,500	587,500	587,490	10
Fire District No. 2 Maintenance	149,850	149,850	135,000	14,850
Fire District No. 1 Special Machinery	214,000	214,000	214,000	0
Fire District No. 2 Special Machinery	0	0	20,254 x	(20,254)
Special Alcohol Control	24,000	24,000	24,000	0
Bucyrus Lights	2,000	2,000	1,947	53
Hillsdale Lights	4,500	4,500	4,500	0
1/4 Cent Sales Tax	2,125,000	2,125,000	2,049,828	75,172
Community Corrections	376,309	376,309	347,413	28,896
Juvenile Justice Authority	488,257	488,257	458,832	29,425
Sex Offender Management	3,000	3,000	2,284	716
Debt Service Funds				
Bond and interest	2,432,486	2,432,486	2,413,133	19,353
Capital Project Funds				
New Projects	6,975,048	6,975,048	4,361,118	2,613,930

x This fund is not subject to K.S.A.19-120 and therefore does not have a budget violation.

The accompanying notes are an integral part of this statement.

Miami County, Kansas

Statement 3

GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended December 31, 2008

(With Comparative Actual Totals for the Prior Year Ended December 31, 2007)

	2007 Actual	2008		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash receipts				
Ad Valorem tax	\$ 6,772,031	\$ 7,068,363	\$ 7,147,827	\$ (79,464)
Delinquent tax	182,375	199,600	140,000	59,600
Motor vehicle tax	987,035	909,214	875,508	33,706
Recreational vehicle tax	21,760	20,271	18,829	1,442
16/20M vehicle tax	25,491	28,602	27,997	605
Local alcoholic liquor fund	3,295	4,672	3,600	1,072
In lieu of taxes	18,738	33,994	19,000	14,994
Mineral production tax	1,184	3,470	2,000	1,470
Machinery & equipment tax from State	0	26,183	0	26,183
Interest and fees on delinquent taxes	162,855	213,035	120,000	93,035
Local sales tax	530,817	542,325	520,000	22,325
Fees and licenses	1,347,388	1,179,334	1,545,358	(366,024)
Emergency medical services	694,930	816,685	640,000	176,685
Interest on investments	941,792	760,610	755,000	5,610
Grants	347,355	253,157	239,908	13,249
Reimbursements	74,530	185,794	35,000	150,794
Fuel sales	228,762	290,678	230,000	60,678
Rent	48,228	50,288	39,000	11,288
911 telephone tax	116,591	110,851	125,000	(14,149)
Miscellaneous	83,700	71,992	21,800	50,192
Neighborhood revitalization feed	0	0	2,500	(2,500)
MVL rental excise tax	0	0	561	(561)
Operating transfers	163,929	126,644	146,775	(20,131)
Total cash receipts	12,752,786	12,895,762	\$ 12,655,663	\$ 240,099
Expenditures				
County Administrator	651,223	171,131	\$ 173,910	\$ 2,779
Human resources	0	159,776	173,551	13,775
Information systems	0	100,837	111,050	10,213
Building & grounds	0	243,586	249,556	5,970
Appraiser	90,327	93,082	103,483	10,401
Building inspection	183,087	200,315	236,729	36,414
County attorney	309,043	322,920	352,663	29,743
County clerk	171,264	177,570	186,013	8,443
County commissioners	134,847	132,471	167,576	35,105
County counselor	75,725	80,413	89,893	9,480
County-wide services	344,363	366,039	889,134	523,095
District court	295,522	306,508	339,020	32,512
Engineering	118,855	132,729	158,511	25,782
Environmental health	138,208	145,687	155,559	9,872
Health department	458,378	455,143	524,686	69,543

The accompanying notes are an integral part of this statement.