SUSAN MONTEE, JD, CPA
Missouri State Auditor

To the County Commission
and
Officeholders of Atchison County, Missouri

The Office of the State Auditor is responsible under Section 29.230, RSMo, for auditing certain operations of Atchison County, and issues a separate report on that audit. In addition, in cooperation with the county, the Office of the State Auditor has contracted for an audit of the county's financial statements for the 2 years ended December 31, 2009, through the state Office of Administration, Division of Purchasing and Materials Management. A copy of this audit, performed by McBride, Lock & Associates, Certified Public Accountants, is attached.

Susan Montee, JD, CPA
State Auditor

December 2010
Report No. 2010-157

P.O. Box 869 • Jefferson City, MO 65102 • (573) 751-4213 • FAX (573) 751-7984

ANNUAL FINANCIAL REPORT

ATCHISON COUNTY, MISSOURI

For the Years Ended
December 31, 2009 and 2008

ATCHISON COUNTY, MISSOURI

TABLE OF CONTENTS

INTRODUCTORY SECTION

ATCHISON COUNTY, MISSOURI
List of Elected Officials

County Commission

Presiding Commissioner – Marlin Logan

Associate Commissioner – Kent Fisher

Associate Commissioner – David Chapin

Other Elected Officials

Assessor – Lori Jones

Circuit Clerk/Recorder– Lorie Hall

Collector – Diane Livengood

Coroner – Shawn Minter

County Clerk – Susette Taylor

Prosecuting Attorney – Dan Smith

Public Administrator – Karen Lester

Sheriff – Dennis Martin

Treasurer – Debbie True

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CERTIFIED PUBLIC ACCOUNTANTS
McBRIDE, LOCK & ASSOCIATES

INDEPENDENT AUDITORS' REPORT

To the County Commission and
Officeholders of Atchison County, Missouri

We have audited the accompanying financial statements of Atchison County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits 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. 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 audits provide a reasonable basis for our opinions.

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

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to 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 Atchison County, Missouri, as of December 31, 2009 and 2008, or the changes in its financial position for the years then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the funds of Atchison County, Missouri, as of December 31, 2009 and 2008, and their respective cash receipts and disbursements, and budgetary results of these funds for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated July 22, 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, and grants 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 audits.

(Original Signed by Auditor)

McBride, Lock & Associates
July 22, 2010

FINANCIAL SECTION

ATCHISON COUNTY, MISSOURI
STATEMENTS OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH - ALL GOVERNMENTAL FUNDS - REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2008 AND 2009

Fund	Cash January 1, 2008	Receipts 2008	Disbursements 2008	Cash December 31, 2008	Receipts 2009	Disbursements 2009	Cash December 31, 2009
General Revenue	$ 512,166	$ 1,334,376	$ 1,286,381	$ 560,161	$ 1,505,865	$ 1,312,832	$ 753,194
Special Road and Bridge	208,362	1,290,342	1,361,522	137,182	1,285,739	1,275,098	147,823
Assessment	19,465	144,178	162,709	934	170,858	166,213	5,579
Law Enforcement Sales Tax	33,220	273,182	136,499	169,903	371,840	425,505	116,238
Landfill	40,412	587	1,340	39,659	611	3,924	36,346
Mitigation	-	151,435	-	151,435	333	-	151,768
Special Allocation	3	28,807	28,810	-	67,010	64,405	2,605
Law Enforcement Training	9,189	6,717	7,077	8,829	6,435	5,301	9,963
Prosecuting Attorney Training	11,161	1,211	2,538	9,834	1,104	2,415	8,523
Emergency Management	7,581	142,269	109,077	40,773	107,611	91,025	57,359
Hazardous Materials Emergency Preparedness (HMEP)	-	5,559	1,500	4,059	9	-	4,068
Local Emergency Planning Committee (LEPC) / Critical Ecosystem Partnership (CEPF)	11,687	1,772	7,064	6,395	5,873	1,110	11,158
Victims of Domestic Violence	3,396	5,149	3,395	5,150	5,078	5,149	5,079
Tax Maintenance	21,850	9,817	100	31,567	22,035	35,939	17,663
County Road Rock Cart	40,339	251,305	267,699	23,945	357,122	334,865	46,202
Economic Development	-	124,382	124,382	-	122,344	122,344	-
Recorder's User Fee	35,279	5,014	22,816	17,477	4,223	2,100	19,600
Senate Bill 40 (Sheltered Workshop)	14,617	85,903	87,021	13,499	98,737	94,525	17,711
Sheriff Civil Fees	9,412	8,340	4,842	12,910	8,526	7,775	13,661
Prosecuting Attorney Bad Check	28,399	8,480	2,754	34,125	5,706	8,021	31,810
911	70,899	253,186	246,736	77,349	255,420	256,088	76,681
HAVA Election Grant	22,564	204	13,190	9,578	20	1,057	8,541
Sheriff's Revolving	3,791	3,184	2,079	4,896	2,945	3,630	4,211
Off-Highway Systems	1,170	223,338	224,508	-	399,094	399,094	-
Resthome Improvement	24,451	330	1,888	22,893	43	7,930	15,006
County Law Enforcment Restitution	12,876	15,750	7,396	21,230	18,523	-	39,753
Election Service	5,064	2,843	3,303	4,604	910	2,808	2,706
Inmate Security	3,085	4,243	2,500	4,828	4,311	-	9,139
Senior Citizens Service	11,855	42,358	45,547	8,666	44,870	40,392	13,144
Total	$ 1,162,293	$ 4,424,261	$ 4,164,673	$ 1,421,881	$ 4,873,195	$ 4,669,545	$ 1,625,531

Exhibit A

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

ATCHISON COUNTY

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

GENERAL REVENUE FUND

	Year Ended December 31,			
	2008		2009	
	Budget	Actual	Budget	Actual
RECEIPTS				
Property taxes	$ 435,500	$ 427,169	$ 491,500	$ 488,728
Sales taxes	386,250	506,079	455,300	548,804
Intergovernmental	37,825	28,495	36,800	81,975
Charges for services	232,100	240,964	239,600	252,996
Interest	20,000	9,958	10,000	1,784
Other	153,200	121,711	140,350	131,578
Transfers in	45,000	-	26,581	-
Total Receipts	$ 1,309,875	$ 1,334,376	$ 1,400,131	$ 1,505,865
DISBURSEMENTS				
County Commission	$ 96,275	$ 92,394	$ 111,300	$ 104,888
County Clerk	133,400	88,657	169,670	149,016
Elections	36,600	36,994	1,600	1,348
Buildings and grounds	291,550	199,618	213,572	172,325
Employee fringe benefits	210,650	188,302	153,497	170,984
Treasurer	50,731	43,636	56,130	53,174
Collector	84,975	64,944	95,450	96,368
Recorder of Deeds	26,514	23,821	26,680	24,491
Circuit Clerk	4,250	2,799	4,450	5,155
Associate Circuit Court	13,150	8,707	42,250	35,296
Associate Circuit (Probate) Court	1,885	811	1,040	1,001
Court administration	7,700	1,273	7,700	4,648
Public Administrator	25,277	23,587	31,452	29,155
Sheriff	329,403	293,647	78,858	81,297
Prosecuting Attorney	83,596	85,303	85,440	85,869
Juvenile Officer	10,980	8,231	10,050	8,072
Coroner	17,356	11,855	18,044	14,623
Other County Government	91,750	79,052	229,635	76,872
Health and Welfare	4,450	2,750	3,750	2,750
Debt Service	35,000	-	-	-
Transfers out	31,200	30,000	222,866	195,500
Emergency fund	49,012	-	47,694	-
Total Disbursements	$ 1,635,704	$ 1,286,381	$ 1,611,128	$ 1,312,832
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (325,829)	$ 47,995	$ (210,997)	$ 193,033
CASH, JANUARY 1	512,166	512,166	560,161	560,161
CASH, DECEMBER 31	$ 186,337	$ 560,161	$ 349,164	$ 753,194

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-1

Exhibit B-2

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH -
BUDGET AND ACTUAL - REGULATORY BASIS

	SPECIAL ROAD AND BRIDGE FUND				ASSESSMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 496,200	$ 483,316	$ 584,000	$ 567,329	$ -	$ -	$ -	$ -
Intergovernmental	752,625	691,853	683,550	669,207	116,000	108,943	117,000	110,422
Charges for services	35,000	32,364	36,000	42,013	-	-	-	-
Interest	10,100	4,269	4,100	889	900	317	300	33
Other	15,600	78,540	26,875	6,301	8,000	4,918	4,000	10,403
Transfers in	-	-	-	-	30,000	30,000	50,000	50,000
Total Receipts	$ 1,309,525	$ 1,290,342	$ 1,334,525	$ 1,285,739	$ 154,900	$ 144,178	$ 171,300	$ 170,858
DISBURSEMENTS								
Salaries	$ 425,075	$ 422,192	$ 446,700	456,750	$ 95,322	$ 95,194	$ 100,860	$ 102,514
Employee fringe benefits	167,700	154,643	165,200	160,408	30,495	27,171	29,866	29,413
Materials and Supplies	200,295	78,513	186,020	127,834	41,328	37,801	37,260	31,249
Services and Other	444,600	507,301	475,967	377,870	4,025	2,543	3,895	3,037
Capital Outlay	35,000	19,633	40,000	24,769	-	-	-	-
Construction	179,000	179,240	129,000	127,467	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 1,451,670	$ 1,361,522	$ 1,442,887	$ 1,275,098	$ 171,170	$ 162,709	$ 171,881	$ 166,213
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (142,145)	$ (71,180)	$ (108,362)	$ 10,641	$ (16,270)	$ (18,531)	$ (581)	$ 4,645
CASH, JANUARY 1	208,362	208,362	137,182	137,182	19,465	19,465	934	934
CASH, DECEMBER 31	$ 66,217	$ 137,182	$ 28,820	$ 147,823	$ 3,195	$ 934	$ 353	$ 5,579

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-2

Exhibit B-3

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT SALES TAX FUND				LANDFILL FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	230,000	247,896	248,000	244,446	-	-	-	-
Intergovernmental	34,000	8,994	34,000	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	2,000	970	900	334	-	23	-	86
Other	2,650	15,322	7,345	9,060	1,500	564	550	525
Transfers in	-	-	118,000	118,000	-	-	-	-
Total Receipts	$ 268,650	$ 273,182	$ 408,245	$ 371,840	$ 1,500	$ 587	$ 550	$ 611
DISBURSEMENTS								
Salaries	$ 45,000	$ -	$ 237,674	$ 257,172	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	77,167	56,907	-	-	-	-
Materials and Supplies	79,250	38,136	74,250	15,878	32,600	260	35,500	2,866
Services and Other	138,500	98,363	185,231	95,548	1,300	1,080	1,200	1,058
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 262,750	$ 136,499	$ 574,322	$ 425,505	$ 33,900	$ 1,340	$ 36,700	$ 3,924
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ 5,900	$ 136,683	$ (166,077)	$ (53,665)	$ (32,400)	$ (753)	$ (36,150)	$ (3,313)
CASH, JANUARY 1	33,220	33,220	169,903	169,903	40,412	40,412	39,659	39,659
CASH, DECEMBER 31	$ 39,120	$ 169,903	$ 3,826	$ 116,238	$ 8,012	$ 39,659	$ 3,509	$ 36,346

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-3

ATCHISON COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	MITIGATION FUND				SPECIAL ALLOCATION FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	1,435	3,000	333	-	4	-	-
Other	-	150,000	150,000	-	28,804	28,803	64,408	67,010
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ -	$ 151,435	$ 153,000	$ 333	$ 28,804	$ 28,807	$ 64,408	$ 67,010
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	150,000	-	28,810	28,810	64,408	64,405
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ -	$ -	$ 150,000	$ -	$ 28,810	$ 28,810	$ 64,408	$ 64,405
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ 151,435	$ 3,000	$ 333	$ (6)	$ (3)	$ -	$ 2,605
CASH, JANUARY 1	-	-	151,435	151,435	3	3	-	-
CASH, DECEMBER 31	$ -	$ 151,435	$ 154,435	$ 151,768	$ (3)	$ -	$ -	$ 2,605

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-4

Exhibit B-5

ATCHISON COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	LAW ENFORCEMENT TRAINING FUND				PROSECUTING ATTORNEY TRAINING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	1,800	2,010	2,000	2,092	-	-	-	-
Charges for services	3,600	4,255	3,750	4,310	1,250	1,062	1,000	1,084
Interest	300	117	150	21	350	149	140	20
Other	-	335	150	12	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 5,700	$ 6,717	$ 6,050	$ 6,435	$ 1,600	$ 1,211	$ 1,140	$ 1,104
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	-	-	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	9,000	7,077	9,000	4,725	9,000	2,538	6,700	2,415
Capital Outlay and Construction	-	-	-	576	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 9,000	$ 7,077	$ 9,000	$ 5,301	$ 9,000	$ 2,538	$ 6,700	$ 2,415
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (3,300)	$ (360)	$ (2,950)	$ 1,134	$ (7,400)	$ (1,327)	$ (5,560)	$ (1,311)
CASH, JANUARY 1	9,189	9,189	8,829	8,829	11,161	11,161	9,834	9,834
CASH, DECEMBER 31	$ 5,889	$ 8,829	$ 5,879	$ 9,963	$ 3,761	$ 9,834	$ 4,274	$ 8,523

Exhibit B-5

The accompanying Notes to the Financial Statements are an integral part of these statements.

ATCHISON COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL -REGULATORY BASIS

	EMERGENCY MANAGEMENT FUND				HAZARDOUS MATERIAL EMERGENCY PLANNING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	42,000	65,047	48,000	35,759	1,650	5,519	-	-
Charges for services	71,500	71,500	71,500	71,500	-	-	-	-
Interest	1,000	543	500	152	-	40	40	9
Other	5,200	5,179	-	200	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 119,700	$ 142,269	$ 120,000	$ 107,611	$ 1,650	$ 5,559	$ 40	$ 9
DISBURSEMENTS								
Salaries	40,932	35,975	$ 35,707	$ 36,053	$ -	$ -	$ -	$ -
Employee fringe benefits	10,121	7,422	6,775	6,426	-	-	-	-
Materials and Supplies	15,300	14,439	29,210	14,401	-	-	-	-
Services and Other	53,347	51,241	79,187	34,145	1,500	1,500	4,000	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 119,700	$ 109,077	$ 150,879	$ 91,025	$ 1,500	$ 1,500	$ 4,000	$ -
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ 33,192	$ (30,879)	$ 16,586	$ 150	$ 4,059	$ (3,960)	$ 9
CASH, JANUARY 1	7,581	7,581	40,773	40,773	-	-	4,059	4,059
CASH, DECEMBER 31	$ 7,581	$ 40,773	$ 9,894	$ 57,359	$ 150	$ 4,059	$ 99	$ 4,068

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-6

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	Local Emergency Planning Committee (LEPC)/ Critical Ecosystem Partnership Fund (CEPF)				VICTIMS OF DOMESTIC VIOLENCE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	2,500	1,648	1,650	5,852	-	-	-	-
Charges for services	-	-	-	-	2,595	5,107	4,650	5,069
Interest	350	124	125	21	30	42	50	9
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 2,850	$ 1,772	$ 1,775	$ 5,873	$ 2,625	$ 5,149	$ 4,700	$ 5,078
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	1,500	-	1,500	94	-	-	-	-
Services and Other	9,100	7,064	4,800	1,016	3,395	3,395	5,149	5,149
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 10,600	$ 7,064	$ 6,300	$ 1,110	$ 3,395	$ 3,395	$ 5,149	$ 5,149
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (7,750)	$ (5,292)	$ (4,525)	$ 4,763	$ (770)	$ 1,754	$ (449)	$ (71)
CASH, JANUARY 1	11,687	11,687	6,395	6,395	3,396	3,396	5,150	5,150
CASH, DECEMBER 31	$ 3,937	$ 6,395	$ 1,870	$ 11,158	$ 2,626	$ 5,150	$ 4,701	$ 5,079

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-7

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	TAX MAINTENANCE FUND				COUNTY ROAD ROCK CART FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	230,000	248,765	248,000	244,686
Intergovernmental	-	-	-	-	-	-	20,000	18,184
Charges for services	8,500	9,440	10,000	21,951	25,000	1,805	12,000	66,635
Interest	750	377	350	84	1,300	735	700	117
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	50,000	27,500
Total Receipts	$ 9,250	$ 9,817	$ 10,350	$ 22,035	$ 256,300	$ 251,305	$ 330,700	$ 357,122
DISBURSEMENTS								
Salaries	-	-	-	-	-	-	-	-
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	4,700	-	4,700	-	240,000	263,195	320,000	330,000
Services and Other	19,300	100	31,500	35,939	27,700	4,504	17,023	4,865
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 24,000	$ 100	$ 36,200	$ 35,939	$ 267,700	$ 267,699	$ 337,023	$ 334,865
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (14,750)	$ 9,717	$ (25,850)	$ (13,904)	$ (11,400)	$ (16,394)	$ (6,323)	$ 22,257
CASH, JANUARY 1	21,850	21,850	31,567	31,567	40,339	40,339	23,945	23,945
CASH, DECEMBER 31	$ 7,100	$ 31,567	$ 5,717	$ 17,663	$ 28,939	$ 23,945	$ 17,622	$ 46,202

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-8

Exhibit B-9

ATCHISON COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	ECONOMIC DEVELOPMENT FUND				RECORDERS USER FEE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	120,000	124,382	125,000	122,344	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	5,500	5,014	5,500	4,223
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 120,000	$ 124,382	$ 125,000	$ 122,344	$ 5,500	$ 5,014	$ 5,500	$ 4,223
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	120,000	124,382	125,000	122,344	31,500	22,816	16,500	2,100
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 120,000	$ 124,382	$ 125,000	$ 122,344	$ 31,500	$ 22,816	$ 16,500	$ 2,100
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ -	$ -	$ -	$ -	$ (26,000)	$ (17,802)	$ (11,000)	$ 2,123
CASH, JANUARY 1	-	-	-	-	35,279	35,279	17,477	17,477
CASH, DECEMBER 31	$ -	$ -	$ -	$ -	$ 9,279	$ 17,477	$ 6,477	$ 19,600

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-9

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	SENATE BILL 40 (SHELTERED WORKSHOP) FUND				SHERIFF CIVIL FEES FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ 82,850	$ 85,224	$ 96,975	$ 98,652	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	225	294	10	-	-	-	-	-
Charges for services	-	-	-	-	8,335	8,179	8,335	8,500
Interest	1,400	385	400	85	200	161	160	26
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 84,475	$ 85,903	$ 97,385	$ 98,737	$ 8,535	$ 8,340	$ 8,495	$ 8,526
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	8,000	4,442	9,500	5,699
Services and Other	88,000	87,021	95,000	94,525	1,500	400	1,900	2,076
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 88,000	$ 87,021	$ 95,000	$ 94,525	$ 9,500	$ 4,842	$ 11,400	$ 7,775
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (3,525)	$ (1,118)	$ 2,385	$ 4,212	$ (965)	$ 3,498	$ (2,905)	$ 751
CASH, JANUARY 1	14,617	14,617	13,499	13,499	9,412	9,412	12,910	12,910
CASH, DECEMBER 31	$ 11,092	$ 13,499	$ 15,884	$ 17,711	$ 8,447	$ 12,910	$ 10,005	$ 13,661

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-10

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	PROSECUTING ATTORNEY BAD CHECK FUND				911			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	230,000	248,765	248,000	244,673
Intergovernmental	-	-	-	-	-	130	55,000	-
Charges for services	8,100	8,056	8,100	5,632	2,360	2,360	8,361	10,599
Interest	850	424	700	74	2,300	931	900	148
Other	-	-	-	-	1,000	1,000	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 8,950	$ 8,480	$ 8,800	$ 5,706	$ 235,660	$ 253,186	$ 312,261	$ 255,420
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ 138,600	$ 137,248	$ 140,100	$ 141,974
Employee fringe benefits	-	-	-	-	39,100	37,035	43,778	39,728
Materials and Supplies	7,600	1,598	7,100	3,901	49,050	44,752	46,750	42,274
Services and Other	10,200	1,156	23,800	4,120	71,660	27,701	102,366	32,112
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 17,800	$ 2,754	$ 30,900	$ 8,021	$ 298,410	$ 246,736	$ 332,994	$ 256,088
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (8,850)	$ 5,726	$ (22,100)	$ (2,315)	$ (62,750)	$ 6,450	$ (20,733)	$ (668)
CASH, JANUARY 1	28,399	28,399	34,125	34,125	70,899	70,899	77,349	77,349
CASH, DECEMBER 31	$ 19,549	$ 34,125	$ 12,025	$ 31,810	$ 8,149	$ 77,349	$ 56,616	$ 76,681

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-11

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	HAVA ELECTION GRANT FUND				SHERIFF'S REVOLVING FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	10,000	-	-	-	-	-	-	-
Charges for services	-	-	-	-	1,400	3,115	3,500	2,935
Interest	700	204	200	20	80	69	75	10
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 10,700	$ 204	$ 200	$ 20	$ 1,480	$ 3,184	$ 3,575	$ 2,945
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	2,790	2,079	5,000	3,630
Services and Other	33,263	13,190	9,578	1,057	1,000	-	1,000	-
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 33,263	$ 13,190	$ 9,578	$ 1,057	$ 3,790	$ 2,079	$ 6,000	$ 3,630
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (22,563)	$ (12,986)	$ (9,378)	$ (1,037)	$ (2,310)	$ 1,105	$ (2,425)	$ (685)
CASH, JANUARY 1	22,564	22,564	9,578	9,578	3,791	3,791	4,896	4,896
CASH, DECEMBER 31	$ 1	$ 9,578	$ 200	$ 8,541	$ 1,481	$ 4,896	$ 2,471	$ 4,211

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-12

Exhibit B-13

ATCHISON COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	OFF-HIGHWAY SYSTEMS FUND				RESTHOME IMPROVEMENT FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	614,100	223,338	980,000	399,094	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Interest	-	-	-	-	1,500	330	300	43
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 614,100	$ 223,338	$ 980,000	$ 399,094	$ 1,500	$ 330	$ 300	$ 43
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	-	-	400,000	-	25,000	1,888	22,250	7,930
Capital Outlay	-	-	-	-	-	-	-	-
Construction	615,270	224,508	580,000	399,094	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 615,270	$ 224,508	$ 980,000	$ 399,094	$ 25,000	$ 1,888	$ 22,250	$ 7,930
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (1,170)	$ (1,170)	$ -	$ -	$ (23,500)	$ (1,558)	$ (21,950)	$ (7,887)
CASH, JANUARY 1	1,170	1,170	-	-	24,451	24,451	22,893	22,893
CASH, DECEMBER 31	$ -	$ -	$ -	$ -	$ 951	$ 22,893	$ 943	$ 15,006

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-13

ATCHISON COUNTY, MISSOURI

COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - REGULATORY BASIS

	COUNTY LAW ENFORCEMENT RESTITUTION FUND				ELECTION SERVICE FUND			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	10,000	6,650	7,000	8,207	2,000	2,778	500	903
Interest	500	264	250	66	150	65	75	7
Other	-	8,836	8,150	10,250	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 10,500	$ 15,750	$ 15,400	$ 18,523	$ 2,150	$ 2,843	$ 575	$ 910
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	3,000	2,097	1,500	1,283
Services and Other	12,875	7,396	27,807	-	2,500	1,206	3,000	1,525
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 12,875	$ 7,396	$ 27,807	$ -	$ 5,500	$ 3,303	$ 4,500	$ 2,808
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (2,375)	$ 8,354	$ (12,407)	$ 18,523	$ (3,350)	$ (460)	$ (3,925)	$ (1,898)
CASH, JANUARY 1	12,876	12,876	21,230	21,230	5,064	5,064	4,604	4,604
CASH, DECEMBER 31	$ 10,501	$ 21,230	$ 8,823	$ 39,753	$ 1,714	$ 4,604	$ 679	$ 2,706

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-14

ATCHISON COUNTY, MISSOURI
COMPARATIVE SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL-REGULATORY BASIS

	INMATE SECURITY FUND				SENIOR CITIZENS SERVICE			
	Year Ended December 31,				Year Ended December 31,			
	2008		2009		2008		2009	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
RECEIPTS								
Property taxes	$ -	$ -	$ -	$ -	$ 43,250	$ 42,358	$ 44,645	$ 44,870
Sales taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,000	4,204	4,000	4,296	-	-	-	-
Interest	75	39	40	15	-	-	-	-
Other	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Total Receipts	$ 3,075	$ 4,243	$ 4,040	$ 4,311	$ 43,250	$ 42,358	$ 44,645	$ 44,870
DISBURSEMENTS								
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employee fringe benefits	-	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	-	-	-	-	-
Services and Other	3,084	2,500	4,000	-	41,791	45,547	44,421	40,392
Capital Outlay	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total Disbursements	$ 3,084	$ 2,500	$ 4,000	$ -	$ 41,791	$ 45,547	$ 44,421	$ 40,392
RECEIPTS OVER (UNDER) DISBURSEMENTS	$ (9)	$ 1,743	$ 40	$ 4,311	$ 1,459	$ (3,189)	$ 224	$ 4,478
CASH, JANUARY 1	3,085	3,085	4,828	4,828	11,855	11,855	8,666	8,666
CASH, DECEMBER 31	$ 3,076	$ 4,828	$ 4,868	$ 9,139	$ 13,314	$ 8,666	$ 8,890	$ 13,144

The accompanying Notes to the Financial Statements are an integral part of these statements.

Exhibit B-15

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Atchison County, Missouri ("County") is governed by a three-member board of commissioners. In addition to the three board members, there are nine elected Constitutional Officers: Assessor, Collector, Coroner, County Clerk, Circuit Clerk/Recorder, Prosecuting Attorney, Public Administrator, Sheriff, and Treasurer.

As discussed further in Note 1, these financial statements are presented using accounting practices prescribed or permitted by the Missouri State Auditor's Office, which differ from accounting principles generally accepted in the United States of America, which would include all relevant Government Accounting Standards Board (GASB) pronouncements. The differences include use of a prescribed definition of the reporting entity and the cash basis of accounting.

A. Reporting Entity

The County's operations include tax assessments and collections, state/county courts, county recorder, public safety, economic development, social and human services, and cultural and recreation services.

The financial statements referred to above include the primary government of Atchison County, Missouri, which consists of all funds, organizations, institutions, agencies, departments, and offices that are considered by the Missouri State Auditor's Office to comprise the County's legal entity.

Certain elected County officials, particularly the County Collector, Treasurer, Circuit Clerk and Sheriff, collect and hold monies in a trustee capacity as an agent of individuals, taxing units, or other governments. These assets, which are held by these officeholders for the sole benefit of external parties, are not reported on the accompanying financial statements.

B. Basis of Presentation

Governmental 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. A fund is considered a separate accounting entity with self-balancing accounts that comprise its assets, liabilities, net assets, revenues/receipts and expenditures/disbursements. The County's expendable financial resources are accounted for through governmental funds.

C. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned, and expenditures or expenses to be recognized when the related liabilities are incurred.

D. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with Chapter 50 RSMo, the County's policy is to adopt a budget for each governmental fund.

2. On or before the second Monday in January, each elected officer and department director will transmit to the County Commission and County Clerk, who serves as budget officer, the budget request and revenue estimates for their office or department for the budget year.

3. The County Clerk submits to the County Commission a proposed budget for the fiscal year beginning January 1. The proposed budget includes estimated revenues and proposed expenditures, on the cash basis of accounting, for all budgeted funds. Budgeted expenditures cannot exceed beginning available monies plus estimated revenues for the year. Budgeting of appropriations is based upon an estimated fund balance at the beginning of the year as well as estimated revenues to be received.

4. State law requires that, at the individual fund level, budgeted expenditures not exceed budgeted revenues plus anticipated beginning fund balance.

5. A public hearing is conducted to obtain public comment on the budget. Prior to its approval by the County Commission, the budget document is available for public inspection, which usually takes place the third and fourth weeks of January.

6. Prior to February 1, the budget is legally enacted by a vote of the County Commission.

7. Subsequent to its formal approval of the budget, the County Commission has the authority to make necessary adjustments to the budget by a formal vote of the Commission. Budgeted amounts are as originally adopted, or as amended by the County Commission throughout the year.

8. Budgets are prepared and adopted on the cash basis of accounting.

9. The County's disbursements in the Economic Development Fund and the Senior Citizens Service Fund exceeded their respective budget authorization for 2008. These excesses of disbursements over budgetary authorizations occurred because the taxes collected by the County for the benefit of the Economic Development Fund and the Senior Services Fund are remitted to the entities which provide these services, specifically the Atchison County Development Corporation for use in financing economic development activities and the Meals on Wheels Association for use in providing services to Atchison County senior citizens.

E. Property taxes are based on the voter-approved tax levy applied to the real and personal assessed property values. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and tax bills are mailed to taxpayers in October and November, at which time they are payable. All unpaid property taxes become delinquent as of January 1 of the following year.

The assessed valuation of the tangible taxable property, included within the County's boundaries for the calendar year 2009 and 2008, for purposes of taxation was:

	2009	2008
Real Estate	$ 70,108,940	$ 62,866,950
Personal Property	24,901,815	24,311,372
Railroad and Utilities	10,408,027	9,309,231

During 2009 and 2008, the County Commission approved a tax levy per $100 of assessed valuation of tangible taxable property for the calendar year 2009 and 2008, for purposes of County taxation, as follows:

	2009	2008
General Revenue	$ 0.4975	$ 0.4993
Special Road & Bridge	0.4975	0.4993
SB 40	0.0999	0.0999
Senior Citizens Service Property	0.0497	0.0499

F. Cash Deposits and Investments

Deposits and investments are stated at cost, which approximates market. Cash balances for all the County Treasurer funds are pooled and invested to the extent possible. Interest earned from such investments is allocated to each of the funds based on the funds' average daily cash balance. Cash equivalents may include repurchase agreements and any other instruments with an original maturity of ninety days or less. State law authorizes the deposit of funds in banks and trust companies or the investment of funds in bonds or treasury certificates of the United States, other interest bearing obligations guaranteed as to both principal and interest by the United States, bonds of the State of Missouri or other government bonds, or time certificates of deposit, purchased at a price at or below par. Funds in the form of cash on deposit or time certificates of deposit are required to be insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized by authorized investments held in the County's name at third-party banking institutions. Details of these cash balances are presented in Note 2.

G. Interfund Activity

During the course of operations, interfund activity occurs for purposes of providing supplemental funding, reimbursements for goods provided or services rendered, or short and long-term financing.

Interfund activities are reported as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund. However, interfund reimbursements have been eliminated from the financial statements in order that reimbursed expenditures are reported only in the funds incurring the costs.

2 CASH AND INVESTMENTS

The County maintains a cash and temporary investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "Cash" under each fund's caption.

Deposits - Missouri statutes require that all deposits with financial institutions be collateralized in an amount at least equal to uninsured deposits. At December 31, 2009 and 2008, the carrying amounts of the County's deposits were $1,625,531 and $1,421,881, respectively, and the bank balances were $1,698,695 and $1,633,986, respectively. Of the bank balances, $678,030 and $517,377 for December 31, 2009 and December 31, 2008, respectively, were covered by federal depository insurance and the remainder was covered by collateral held at the Federal Reserve Bank and the County’s safekeeping bank agent in the County’s name or by a line of credit held by the County or by its agent in the County's name.

At December 31, 2009 and 2008, the County Collector held, in addition to the cash and cash equivalents listed above, cash representing collections of property taxes on behalf of various taxing districts in the County, including the County General Revenue, Road and Bridge, SB 40 and Senior Citizens Service funds. These amounts, all of which were covered by federal depository insurance or collateral, amounted to $5,384,647 and $3,396,671 at December 31, 2009 and 2008, respectively.

3 COUNTY EMPLOYEES’ RETIREMENT PLANS

A. County Employees' Retirement Fund (CERF)

The County Employee’s Retirement Fund was established by the state of Missouri to provide pension benefits for County officials and employees.

1) Plan Description

The Retirement Fund is a cost-sharing multiple employer defined benefit pension plan covering any county elective or appointed officer or employee whose performance requires the actual performance of duties during not less than one thousand (1,000) hours per calendar year in each county of the state, except for any city not within a county and any county of the first classification having a charter form of government. It does not include county prosecuting attorneys covered under Sections 56.800 to 56.840, RSMo, circuit clerks and deputy circuit clerks covered under the Missouri State Retirement System, county sheriffs covered under Sections 57.949 to 57.997, RSMo and certain personnel not defined as an employee per Section 50.1000(8), RSMo. The Fund was created by an act of the legislature and was effective August 28, 1994.

The general administration and the responsibility for the proper operation of the fund and the investment of the fund are vested in a board of directors of nine persons.

2) Pension Benefits

Beginning January 1, 1997, employees attaining the age of sixty-two years may retire with full benefits with eight or more years of creditable service. The monthly benefit for County Employees is determined by selecting the highest benefit calculated using three different prescribed formulas (flat-dollar formula, targeted replacement ratio formula, and prior plan's formula). A death benefit of $10,000 will be paid to the designated beneficiary of every active member upon his or her death.

Upon termination of employment, any member who is vested is entitled to a deferred annuity, payable at age sixty-two. Early retirement is at age sixty. Any member with less than eight years of creditable service forfeits all rights in the fund but will be paid his or her accumulated contributions.

The County Employees' Retirement Fund issues audited financial statements. Copies of these statements may be obtained from the Board of Directors of CERF by writing to CERF, P.O. Box 2271, Jefferson City, MO 65102-2271, or by calling 1-573-632-9203.

3) Funding Policy

In accordance with State Statutes, the Plan is partially funded through various fees collected by counties and remitted to the CERF. Further, a contribution to CERF of 2% of annual salary is required for eligible employees hired before February 2002, while a contribution of 6% of annual salary is required of employees hired after February 2002, in order to participate in CERF. During 2009 and 2008, the County collected and remitted to CERF employee contributions of approximately $68,293 and $79,205, respectively, for the years then ended.

4 POST EMPLOYMENT BENEFITS

The County does not provide post-employment benefits except as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and no direct costs are incurred by the County.

5 CLAIMS, COMMITMENT AND CONTINGENCIES

A. Compensated Absences

The County provides full time employees with up to 180 days of sick leave, to accrue at one day per complete calendar month of employment. Upon termination, an employee of ten years is compensated for 50% of accrued sick leave with a one-month maximum. Vacation time is accrued for every full time employee, and accrues at the rate of from four to eighteen hours per month, with a maximum of 432 hours cumulative, depending on length of employment. Employees may accrue a cumulative maximum of two years of vacation credits. No vacation credits beyond this amount will be earned or accrued. Upon separation, an employee may receive up to thirty days accumulated vacation time.

B. Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants, when performed, could result in the disallowance of certain costs. Accordingly, such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds, if determined necessary, will be immaterial and, therefore, no provision has been made in the accompanying financial statements for the potential refund of grant monies.

The County’s expenditure for federal awards did not exceed $500,000 in either 2009 or 2008 and, accordingly, the County is not required to obtain a single audit in accordance with Office of Management and Budget Circular A-133.

6 RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters, and has established a risk management strategy that attempts to minimize losses and the carrying costs of insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

The County is a member participant in a public entity risk pool which is a corporate and political body. The purpose of the risk pool is to provide liability protection to participating public entities, their officials, and employees. Annual contributions are collected based on actuarial projections which are intended to produce sufficient funds to pay losses and expenses. Should contributions not produce sufficient funds to meet its obligations, the risk pool is empowered with the ability to make special assessments. Members are jointly and severally liable for all claims against the risk pool.

The County is also a member of the Missouri Association of Counties Self-Insured Workers' Compensation and Insurance Fund. The County purchases workers' compensation insurance through this Fund, a non-profit corporation established for the purpose of providing insurance coverage for Missouri counties. The Fund is self-insured up to $2,000,000 per occurrence and is reinsured up to the statutory limit through excess insurance.

7 LONG TERM DEBT

The County had the following debt outstanding at December 31, 2009:

A. $16,024 for various operating leases on three copiers and a postage mailing system. The monthly lease payments total $682, with final payments occurring between 2011 and 2014. Payments are made using available monies in the General Revenue Fund.

During 2010, the County incurred additional debt in the amount of $456,317 for a capital lease of two 2010 Model 672G John Deere Motor Graders by the Road and Bridge Department. The lease is scheduled to be paid in five annual payments of $91,263 including interest at 3.45% annually. The final payment is scheduled for 2015. Payments will be made using available monies in the Road and Bridge Fund.

8. CHANGE IN REPORTING ENTITY AND BEGINNING CASH BALANCE

The County has changed its definition of the reporting entity, as of January 1, 2008, to include the Senior Citizens Service fund. The County has also increased the cash balance of the Landfill fund at January 1, 2008 by $13,597 to properly record interfund transfers. The effect of the aforementioned changes is to increase cash balances of the funds as previously reported at December 31, 2007 by the amount representing the cash balance of the Senior Citizens Service fund and the amount representing the improperly recorded transfer out of the Landfill fund.

COMPLIANCE SECTION

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Commission and
Officeholders of Atchison County, Missouri

We have audited the accompanying financial statements of Atchison County, Missouri as of and for the years ended December 31, 2009 and 2008, which collectively comprise the County's basic financial statements as identified in the table of contents, and have issued our report thereon dated July 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 Atchison County, Missouri'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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and recommendations as item 09.1.

Atchison County, Missouri's response to the findings identified in our audit is described in the accompanying schedule of findings and recommendations. We did not audit Atchison County, Missouri's response and, accordingly, we express no opinion on it.

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

(Original Signed by Auditor)

McBride, Lock & Associates
July 22, 2010

FINDINGS AND RECOMMENDATIONS

ITEMS OF NONCOMPLIANCE

09.1 Lack of Investment Policy

Condition: The County has not adopted an investment policy as required by State Statutes. The County has no investments, however an investment policy addresses topics such as collateralization of deposits, strategy with respect to investment of public funds, and other areas, and thus such a policy would be beneficial and also required for the County. Section 110.270, RSMo 2007, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2007, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation.

Recommendation: We recommend the County Commission adopt an investment policy and review compliance with this policy at least annually. Sample policies currently in place at other Missouri counties could be adopted to meet the County's requirements. Alternatively, guidelines for developing an investment policy may be found at organizations such as the Missouri State Auditor's Office, the Government Finance Officers' Association, which offers a publication entitled GFOA's New Model Investment Policy, and on the internet, where examples of investment policies for many counties may be found.

County Response: The County Commission will review policies in place at other Missouri counties and find one that can be adopted to meet the County's needs.

Auditor's Evaluation: The County's planned corrective action is responsive to the recommendation.

ATCHISON COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with Government Auditing Standards, this section reports the auditors' follow-up on action taken by Atchison County, Missouri, on the applicable findings in the prior audit report issued for the two years ended December 31, 2007 and 2006.

07.1 <u>Lack of Investment Policy</u>

The County has not adopted an investment policy as required by State Statutes.

Status - *Not Resolved. See Finding No. 09.1.*

07.2 <u>Access to the Treasurer's Vault</u>

Because of the Treasurer's absence during portions of the audit fieldwork, we learned that only the Treasurer has access to the vault code. Bank statements, checks and other records of fiscal significance to the County are stored in the vault. In the event of the Treasurer's long-term absence or sudden departure from the County, the inability to access the Treasurer's records and the County financial banking records could be detrimental to County operations.

Status - *Resolved.*

07.3 <u>Documentation in Collector's Bank Reconciliation</u>

The Collector records checks in the month prior to when they were actually written. Checks are considered to be outstanding checks at month-end for purposes of the bank reconciliation. This practice understates the Collector's cash balance by a material amount, particularly at year-end. We understand the importance of reconciling cash to the Collector's monthly settlement, however, a reconciliation between cash in the bank and cash per the accounting records at month-end should also be prepared.

Status - *Resolved.*