

GOVE COUNTY, KANSAS
Financial Statement and Supplementary Information
with Independent Auditor's Reports
For the Year Ended December 31, 2021

MAPES & MILLER LLP
Certified Public Accountants
Quinter, KS

GOVE COUNTY, KANSAS
Financial Statement and Regulatory-Required
Supplementary Information with Independent Auditor's Reports
For the Year Ended December 31, 2021

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Supplementary Information with Independent Auditor's Report
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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Gove County, Kansas
Gove, Kansas 67736

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Gove County, Kansas, as of and for the year ended December 31, 2021, and the related notes to the financial statement.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Gove County as of December 31, 2021, or changes in the financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Gove County as of December 31, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of Gove County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the financial statement is prepared by Gove County on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Gove County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Gove County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Gove County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and schedule of regulatory basis receipts and disbursements-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Mapes & Miller LLP

Certified Public Accountants
Quinter, Kansas

October 3, 2022

GOVE COUNTY, KANSAS

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Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2021

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:						
General Fund	\$ 1,542,569	2,091,909	1,818,870	1,815,608	105,717	1,921,325
Special Purpose Funds:						
Road and Bridge Fund	423,623	2,473,584	2,490,817	406,390	32,991	439,381
Noxious Weed Fund	207,815	44,591	134,904	117,502	627	118,129
Hospital Maintenance Fund	211,511	1,971,605	1,891,000	292,116	0	292,116
Employee Benefits Fund	788,437	1,143,435	1,361,069	570,803	0	570,803
Mental Health Fund	0	19,208	19,208	0	0	0
Developmental Services Fund	0	60,448	60,448	0	0	0
Sheriff Fund	27,021	641,473	610,694	57,800	57,479	115,279
Sheriff Special Equipment Fund	48,279	0	21,453	26,826	0	26,826
Noxious Weed Capital Outlay Fund	217,324	0	24,930	192,394	22,300	214,694
Special Alcohol Fund	19,234	1,450	5,900	14,784	0	14,784
911 Emergency Services Fund	55,219	0	0	55,219	0	55,219
911 Wireless Fund	7,718	0	0	7,718	0	7,718
Rural Fire District Fund	23,221	154,770	152,000	25,991	0	25,991
Landfill Closure Fund	0	100,000	0	100,000	0	100,000
Special Highway Improvement Fund	958,531	250,000	330,350	878,181	0	878,181
Special Machinery Fund	803,338	0	0	803,338	0	803,338
Register of Deeds Technology Fund	12,640	7,185	15,191	4,634	0	4,634
Bio Terrorism Local Fund	20,660	9,557	1,436	28,781	0	28,781
Bio Terrorism Regional Fund	33,501	60,004	66,557	26,948	0	26,948
DEA Sheriff Fund	458	0	0	458	0	458
Diversion Fees Fund	7,357	1,713	405	8,665	0	8,665
Treasurer's Special Auto Fund	15,256	34,173	31,743	17,686	0	17,686
Prosecuting Attorney Training Fund	8,819	2,629	1,394	10,054	0	10,054
Attorney's Trust Fund	21,107	60	0	21,167	0	21,167
Sheriff's Special Law Enforcement Fund	64,866	0	11,478	53,388	57	53,445
Concealed Carry Fund	6,320	424	0	6,744	0	6,744
K-9 Fund	440	20	0	460	0	460
Porta Count Machine Fund	2,459	0	145	2,314	0	2,314
Chronic Disease Risk Fund	9,513	0	0	9,513	0	9,513
County Health Car Seats Fund	9,025	0	0	9,025	0	9,025
Balance Carried Forward	\$ 5,546,261	9,068,238	9,049,992	5,564,507	219,171	5,783,678

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

GOVE COUNTY, KANSAS

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Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended December 31, 2021

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Balance Brought Forward	\$ 5,546,261	9,068,238	9,049,992	5,564,507	219,171	5,783,678
Special Purpose Funds (continued):						
GCHD Building Fund	58,947	31	3,081	55,897	0	55,897
Ebola Fund	354	0	0	354	0	354
Sheriff VINS Fund	14,746	4,920	600	19,066	0	19,066
Sheriff Seizure Fund	0	3,900	0	3,900	0	3,900
Clerk Technology Fund	1,410	1,795	1,330	1,875	0	1,875
Treasurer Technology Fund	2,604	1,795	0	4,399	0	4,399
Medical Reimbursement Reserve Fund	335,297	153,249	61,938	426,608	0	426,608
Sheriff Offender Registration Fund	1,600	860	180	2,280	0	2,280
COVID-19 ELC Expanding Fund	0	20,061	18,692	1,369	0	1,369
COVID-19 Fund	153	8,434	1,333	7,254	0	7,254
SPARK Fund	7,400	0	7,400	0	0	0
American Recovery Fund	0	256,045	114,921	141,124	114,920	256,044
Stray Animals Fund	0	174,793	174,793	0	0	0
Bond and Interest Funds:						
Hospital Revenue Bonds Fund	0	27,828	27,828	0	0	0
Business Funds:						
Solid Waste Fund	397,553	238,366	272,590	363,329	19,779	383,108
Total Reporting Entity (Excluding Agency Funds)	\$ 6,366,325	9,960,315	9,734,678	6,591,962	353,870	6,945,832

Cash on Hand	\$ 2,125
Checking Accounts - The Bank	8,663,244
Checking Accounts - Equity Bank	44,050
Money Market Account - KansasLand	10,467
Certificates of Deposit -The Bank	2,475,000
Certificates of Deposit - Equity Bank	3,300,000
U.S. Treasury Bills - KansasLand	990,000
Total Cash	15,484,886
Less Agency Funds per Schedule 3	(8,539,054)
Total Reporting Entity (Excluding Agency Funds)	\$ 6,945,832

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

GOVE COUNTY, KANSAS
Notes to the Financial Statement
December 31, 2021

1. Summary of Significant Accounting Policies

(a) Municipal Financial Reporting Entity

Gove County, Kansas, is a municipal corporation governed by an elected three-member commission. The regulatory financial statement does not include any related municipal entities. It presents only Gove County, Kansas.

(b) Regulatory Basis Fund Types

The following types of funds comprise the financial activities of Gove County for the year ended December 31, 2021:

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Business Fund – funds financed in whole or part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.).

Agency Fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

(c) Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

Gove 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 regulatory basis of accounting.

(d) Budgetary Information

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

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

If the County is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th. Starting with the 2022 budget cycle, the County may hold a revenue neutral rate hearing. The County held a revenue neutral rate hearing for the 2022 budget.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for the year ending December 31, 2021.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules, Schedule 2 as listed in the table of contents, 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 regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances.

Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditures authority lapses at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds: Special Highway Improvement Fund, Special Machinery Fund, Register of Deeds Technology Fund, Bio Terrorism Local Fund, Bio Terrorism Regional Fund, DEA Sheriff Fund, Diversion Fees Fund, Treasurer's Special Auto Fund, Prosecuting Attorney Training Fund, Attorney's Trust Fund, Sheriff's Special Law Enforcement Fund, Concealed Carry Fund, K-9 Fund, Porta Count Machine Fund, Chronic Disease Risk

Fund, County Health Car Seats Fund, GCHD Building Fund, Ebola Fund, Sheriff VINS Fund, Sheriff Seizure Fund, Clerk Technology Fund, Treasurer Technology Fund, Medical Reimbursement Reserve Fund, Sheriff Offender Registration Fund, COVID-19 ELC Expanding Fund, COVID-19 Fund, SPARK Fund, American Recovery Fund, and Stray Animals Fund.

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

(e) Property Taxes

Property taxes are levied November 1st of the calendar year. A lien is placed on the property when the taxes are levied. The taxes are due one-half on December 20th and one-half the following May 10th. Any taxes unpaid at the due dates are considered delinquent. Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year; such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operation of the County and therefore are not susceptible to accrual. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and, further, the amounts thereof are not material to the financial statement taken as a whole.

(f) Reimbursements

Gove County records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that received the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis of accounting.

2. Deposits and Investments

As of December 31, 2021, the County had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities (in Years)		Rating U.S.
		Less than 1	1 -2	
U.S. Treasury Bills	\$ 990,000	\$ 990,000	-	N/A

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

K.S.A. 12-1675 limits the County's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The County has no investment policy that would further limit its investments 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. As of December 31, 2021, the County's allocation of investments is as follows:

Investments	Percentage of Investments
U.S. Treasury Bills	100%

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 the 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 County, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. A peak period agreement was not utilized by the County during 2021. All deposits were legally secured at December 31, 2021.

At December 31, 2021, the County's carrying amount of deposits was \$14,492,761 and the bank balance was \$14,834,339. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$511,084 was covered by federal depository insurance and the balance of \$14,323,255 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.

3. Defined Benefit Pension Plan

Plan Description. Gove County participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefits provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contributions rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for Death and Disability Program) and the statutory contribution rate was 8.87% for the fiscal year ended December 31, 2021. Contributions to the pension plan from Gove County were \$172,206 for the year ended December 31, 2021.

Net Pension Liability

At December 31, 2021, the County's proportionate share of the collective net pension liability reported by KPERS was \$1,225,323. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The County's proportion of the net pension liability was based on the ratio of the County's contributions to KPERS relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net position liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

4. Other Long-Term Obligations from Operations**(a) Other Post-Employment Benefits**

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the municipality 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.

(b) Death and Disability Other Post-Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2021.

(c) Compensated Absences**Vacation Leave**

On January 1 of each year, all employees, except first year employees, are entitled to paid vacation leave as follows:

0 – 5 years	1 day per month
6 – 15 years	1 and ½ days per month
16 or more years	2 days per month

For new employees, vacation leave may be used after 6 months of employment. Vacation leave may not be used in excess of the days accrued during the first year of employment.

Employees may carry over three days of unused vacation leave for use in the next year. Any unused vacation leave will be paid to the employee at the current rate of pay when an employee leaves employment unless the employee voluntarily leaves employment without giving two weeks' notice or is terminated with cause.

Personal Leave

All full-time employees are allowed one day of paid personal leave per month. Personal leave accrues on the first day of January and may be used for any reason. All personal leave not used during the calendar year is carried over as medical leave, up to a maximum of ninety days. Any additional unused personal leave will be paid to the employee at 50% of the employee's current rate of pay with the first payroll in the proceeding January. Unused personal leave is not paid on termination of employment. Employees who retire with a personal leave balance will be paid at 50% of the employee's current rate of pay no later than the last day of the month of retirement.

Medical Leave

Unused personal leave is carried over as medical leave, up to a maximum of ninety days. Unused medical leave is not paid on termination of employment. Employees who retire with a medical leave balance will be paid at 50% of the employee's current rate of pay no later than the last day of the month of retirement.

(d) Landfill Closure and Post-Closure Cost

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. In addition to current year expenditures relating to the operation of the landfill as shown in the General Fund and Solid Waste Fund in the financial statement, the County is incurring a liability based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste.

The estimate of closure and post-closure care liability at year-end is \$987,874. This liability is based on the use of 66.70% of the estimated capacity of the landfill and a total closure and post-closure cost estimate of \$1,481,071. The County will recognize the remaining estimated cost of closure and post-closure care of \$493,197 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2021. The County expects the landfill to continue to operate for approximately 35 years. Actual costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The County has established a Landfill Closure Reserve Fund for payment of closure and post-closure care cost. As of December 31, 2021, the ending fund balance for the Landfill Closure Reserve was \$100,000.

5. Stewardship, Compliance and Accountability

(a) Approval of Bills

In accordance with K.S.A. 19-716, the County Attorney has the ultimate responsibility of reviewing all vouchers presented to the County Commissioners to determine that the bills are a liability of the County. An expenditure for \$11,654 for an employee's funeral expenses does not appear to be a liability of the County and the subsequent approval and payment of this invoice appears contrary to the Kansas public purpose doctrine. We recommend the County Attorney communicate with the Kansas Attorney General to determine the proper resolution of this matter.

(b) Inventory

K.S.A. 19-2687 states that annually, county department heads investigate, inspect, and make an inventory of all personal property, and a comprehensive inventory be compiled by the clerk. The board has the responsibility of viewing each item and checking it to the inventory list. The County Clerk, County Treasurer, County Appraiser and Register of Deeds did not provide a year-end inventory listing to the County Clerk, which is a violation of this statute.

(c) Outstanding Warrants

K.S.A. 10-815 states that outstanding warrants/checks for two years or more shall be canceled and restored to the fund originally charged. At year-end there were six outstanding checks that were more than two years old. This is a violation of this statute.

(d) Operating Transfers

K.S.A 79-2934 restricts the operating transfers of the County to those authorized by applicable Kansas statutes. Transfers from the Employee Benefits Fund were made to the Medical Reimbursement Reserve Fund. Such transfers are not provided by law, and the County has not established by home rule authority the Medical Reimbursement Reserve Fund or the authority to transfer funds into the fund. This is a violation of this statute.

K.S.A 79-2934 restricts the operating transfers of the County to those authorized by applicable Kansas statutes. A transfer from the Solid Waste Fund was made to the Landfill Closure Reserve Fund. This transfer is not provided by law, and the County has not established by home rule the authority to make transfers from Solid Waste Fund into the Landfill Closure Reserve Fund. This is a violation of this statute.

6. Risk Management

Gove County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Gove County has been unable to obtain property, liability, and workers compensation insurance at a cost it considered to be economically justifiable. For this reason, Gove County joined together with other counties in the State to participate in Kansas Workers Risk Cooperative for Counties (KWORCC), a public entity risk pool currently operating as a common risk management and insurance program for 88 participating members.

Gove County pays an annual premium to KWORCC for its workers compensation insurance coverage. The agreement to participate provides that KWORCC will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KWORCC's management.

Gove County has also been unable to obtain property and casualty insurance at a cost it considered to be economically justifiable. For this reason, the County joined together with other counties in the State to participate in Kansas County Association Multi-line Pool (KCAMP), a public entity risk pool currently operating as a common risk management and insurance program for 101 participating members.

Gove County pays an annual premium to KCAMP for its property and casualty insurance coverage. The agreement to participate provides that KCAMP will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KCAMP's management.

7. Claims and Judgments

The County participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of September 26, 2022, grant expenditures have not been audited, but the County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the County.

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

8. COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreaks continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the County's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global response to curb its spread, the County is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2021. Based on current conditions, management is unable to reasonably determine the future potential impacts that COVID-19 outbreak may have on financial conditions and operations.

As a result of COVID-19, the State of Kansas has received Coronavirus State and Local Fiscal Recovery Funds (SLFRF) from the U.S. Department of the Treasury under the American Rescue Plan Act (ARPA). The County received \$256,045 from the State of Kansas during 2021. These funds may be used to strengthen and improve infrastructure as well as help support the recovery related to the public health emergency. A complete listing of eligible uses as well as current grant information and audit requirements can be found at <https://home.treasury.gov/>.

9. Subsequent Events

On June 27, 2022, the County approved the purchase of the airport located south of Quinter, Kansas, for \$400,000, and the Airport Fund was established to provide for the operations and maintenance of the airport. Taxes were levied for this fund starting with the 2023 budget.

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date the financial statement was available to be issued.

10. Interfund Transfers

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
Solid Waste Fund	Landfill Closure Reserve Fund	None	\$ 100,000
Road and Bridge Fund	Special Highway Fund	68-590	250,000
Treasurer's Special Auto Fund	General Fund	8-145	15,256
Employee Benefits Fund	Medical Reimbursement Reserve Fund	None	153,056

11. Long-term Debt

Changes in long-term liabilities for Gove County, Kansas, for the year ended December 31, 2021, were as follows:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
Revenue Bonds:									
2016 Hospital Revenue Bonds	0.00%	03/30/16	278,275	03/30/26	\$ 166,964	0	27,827	139,137	0
Capital Leases:									
HVAC - KansasLand Bank**	4.20%	11/09/15	2,076,725	05/15/26	1,171,417	0	196,729	974,688	45,441
JD 644P Wheel Loader	2.97%	05/26/21	226,692	05/26/26	0	226,692	0	226,692	0
Total Contractual Indebtedness:					\$ 1,338,381	226,692	224,556	1,340,517	45,441

** Gove County, Kansas, is listed as a Co-Lessee along with Gove County Medical Center on the equipment lease purchase agreement dated November 9, 2015. For the year ended December 31, 2021, Gove County Medical Center made all the principal and interest payments.

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

	2022	2023	2024	2025	2026	Total
Principal						
Revenue Bonds	\$ 27,828	27,828	27,827	27,827	27,827	139,137
Capital Leases	247,876	257,930	268,397	279,294	147,883	1,201,380
Total Principal	275,704	285,758	296,224	307,121	175,710	1,340,517
Interest						
Revenue Bonds	0	0	0	0	0	0
Capital Leases	43,751	33,697	23,230	12,333	2,478	115,489
Total Interest	43,751	33,697	23,230	12,333	2,478	115,489
Total Principal and Interest	\$ 319,455	319,455	319,454	319,454	178,188	1,456,006

REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION

GOVE COUNTY, KANSAS
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

SCHEDULE 1

Description	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Funds:					
General Fund	\$ 3,156,648	0	3,156,648	1,818,870	(1,337,778)
Special Purpose Funds:					
Road and Bridge Fund	2,331,300	182,103	2,513,403	2,490,817	(22,586)
Noxious Weed Fund	201,800	0	201,800	134,904	(66,896)
Hospital Maintenance Fund	1,891,000	0	1,891,000	1,891,000	0
Employee Benefits Fund	1,830,000	0	1,830,000	1,361,069	(468,931)
Mental Health Fund	17,736	0	17,736	19,208	1,472 *
Developmental Services Fund	60,000	0	60,000	60,448	448 *
Sheriff Fund	602,000	9,309	611,309	610,694	(615)
Sheriff Special Equipment Fund	23,279		23,279	21,453	(1,826)
Noxious Weed Capital Outlay Fund	236,358	0	236,358	24,930	(211,428)
Special Alcohol Fund	14,013	0	14,013	5,900	(8,113)
911 Emergency Services Fund	55,219	0	55,219	0	(55,219)
911 Wireless Fund	7,718	0	7,718	0	(7,718)
Rural Fire District Fund	177,000	0	177,000	152,000	(25,000)
Landfill Closure Reserve Fund	100,000	0	100,000	0	(100,000)
Bond and Interest Funds:					
Hospital Revenue Bonds Fund	27,828	0	27,828	27,828	0
Business Funds:					
Solid Waste Fund	275,000	0	275,000	272,590	(2,410)

* Exempt from Budget law per K.S.A. 19-4007

GOVE COUNTY, KANSAS
GENERAL FUND

SCHEDULE 2
Page 1

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Taxes and Shared Revenue			
Ad Valorem Property Tax	\$ 1,353,528	1,362,778	(9,250)
Neighborhood Revitalization Rebate	0	(774)	774
Delinquent Tax	9,983	0	9,983
Motor Vehicle Tax	45,733	37,660	8,073
Recreational Motor Vehicle Tax	985	684	301
16/20M Vehicle Tax	4,330	3,446	884
Commercial Vehicle Tax	5,226	4,779	447
Watercraft Tax	0	308	(308)
Intangible Tax	11,813	12,000	(187)
Mineral Production Tax	16,427	15,000	1,427
Local Sales & Use Tax	435,830	320,000	115,830
Interest & Charges on Delinquent Taxes	15,040	10,000	5,040
Licenses, Permits, and Fees			
County Official Fees	97,066	100,000	(2,934)
County Health - State Aid	14,287	7,000	7,287
County Health - Federal Aid	4,338	5,437	(1,099)
County Health - Fees & Grants	34,239	28,765	5,474
Interest on Idle Funds	6,785	0	6,785
Reimbursements - SPARK	0	60,000	(60,000)
State Aid - Landfill Grants	18,043	0	18,043
Rent on Building	3,000	0	3,000
Transfer from Solid Waste Fund	0	100,000	(100,000)
Transfer from Treasurer's Special Auto Fund	15,256	12,000	3,256
	<u> </u>	<u> </u>	<u> </u>
Total Receipts	\$ 2,091,909	2,079,083	12,826
	<u> </u>	<u> </u>	<u> </u>

GOVE COUNTY, KANSAS
GENERAL FUND

SCHEDULE 2
Page 2

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Expenditures:			
County Commission	\$ 67,645	58,870	8,775
County Clerk	114,946	133,042	(18,096)
County Treasurer	131,617	140,802	(9,185)
Register of Deeds	97,353	103,023	(5,670)
County Attorney	72,995	78,662	(5,667)
Rescue	24,000	28,000	(4,000)
District Court	17,763	33,000	(15,237)
Economic Development	73,186	83,813	(10,627)
Courthouse General	393,430	362,000	31,430
Landfill	325,692	353,017	(27,325)
County Health	181,473	220,672	(39,199)
Ambulance	73,379	80,000	(6,621)
4-H Building	15,601	20,580	(4,979)
NWKS Planning & Development	7,199	6,832	367
Appraiser	118,229	161,790	(43,561)
Prisoner Care	10,466	95,000	(84,534)
Juvenile Detention	0	5,000	(5,000)
Area Agency Aging	3,000	3,000	0
Election	30,563	43,270	(12,707)
Soil Conservation	20,000	20,000	0
Senior Companion	4,275	4,275	0
Healthy Start	8,979	0	8,979
Foster Grandparents	1,000	1,000	0
OPTIONS Appropriation	1,000	1,000	0
Court and Trial Costs	18,079	65,000	(46,921)
Patterson Family Foundation Grant	2,000	0	2,000
Kansas Child Advocacy Center	5,000	5,000	0
Cash Reserve	0	950,000	(950,000)
Transfer to Landfill Closure Reserve Fund	0	100,000	(100,000)
Total Expenditures	<u>1,818,870</u>	<u>3,156,648</u>	<u>(1,337,778)</u>
Receipts Over (Under) Expenditures	273,039		
Unencumbered Cash, Beginning	<u>1,542,569</u>		
Unencumbered Cash, Ending	<u>\$ 1,815,608</u>		

GOVE COUNTY, KANSAS
ROAD AND BRIDGE FUND

SCHEDULE 2
Page 3

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 1,527,798	1,538,324	(10,526)
Neighborhood Revitalization Rebate	0	(874)	874
Delinquent Tax	17,606	0	17,606
Motor Vehicle Tax	83,705	79,324	4,381
Recreational Vehicle Tax	1,852	1,442	410
16/20M Vehicle Tax	4,647	7,258	(2,611)
Commercial Vehicle Tax	10,585	10,067	518
Watercraft Tax	0	648	(648)
Intergovernmental			
Special Highway	293,629	267,212	26,417
DOT - Connecting Links	195,292	0	195,292
Permits	1,450	0	1,450
Surplus Equipment Sales	304,917	0	304,917
Reimbursement of Fuel Tax	8,677	0	8,677
Reimbursements	23,426	0	23,426
Total Receipts	<u>2,473,584</u>	<u>1,903,401</u>	<u>570,183</u>
Expenditures:			
Personal Services	650,322	650,000	322
Contractual	248,082	320,000	(71,918)
Commodities	344,703	420,000	(75,297)
Capital Outlay	997,710	491,300	506,410
Transfer to Special Highway Improvement Fund	250,000	100,000	150,000
Transfer to Special Machinery Fund	0	100,000	(100,000)
Cash Reserve	0	250,000	(250,000)
Adjustment for Qualifying Budget Credits			
Current Year Project - DOT - Connecting Links	0	150,000	(150,000)
Reimbursements	0	32,103	(32,103)
Total Expenditures	<u>2,490,817</u>	<u>2,513,403</u>	<u>(22,586)</u>
Receipts Over (Under) Expenditures	(17,233)		
Unencumbered Cash, Beginning	<u>423,623</u>		
Unencumbered Cash, Ending	<u>\$ 406,390</u>		

GOVE COUNTY, KANSAS
NOXIOUS WEED FUND

SCHEDULE 2
Page 4

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 6	0	6
Delinquent Tax	1,839	0	1,839
Motor Vehicle Tax	8,879	7,524	1,355
Recreational Vehicle Tax	192	137	55
16/20M Vehicle Tax	771	688	83
Commercial Vehicle Tax	1,036	955	81
Watercraft Tax	0	62	(62)
Reimbursements-Sale of Chemical	31,868	0	31,868
	<u>44,591</u>	<u>9,366</u>	<u>35,225</u>
Total Receipts			
Expenditures:			
Personal Services	46,811	50,000	(3,189)
Contractual	19,360	16,800	2,560
Commodities	68,733	45,000	23,733
Cash Reserve	0	50,000	(50,000)
Transfer to Noxious Weed Capital Outlay Fund	0	40,000	(40,000)
	<u>134,904</u>	<u>201,800</u>	<u>(66,896)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	(90,313)		
Unencumbered Cash, Beginning	207,815		
	<u>117,502</u>		
Unencumbered Cash, Ending	\$		

GOVE COUNTY, KANSAS
HOSPITAL MAINTENANCE FUND

SCHEDULE 2
Page 5

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 1,176,517	1,184,647	(8,130)
Neighborhood Revitalization Rebate	0	(673)	673
Delinquent Tax	13,539	0	13,539
Motor Vehicle Tax	64,232	57,432	6,800
Recreational Vehicle Tax	1,405	1,044	361
16/20M Vehicle Tax	4,647	5,255	(608)
Commercial Vehicle Tax	7,786	7,289	497
Watercraft Tax	0	469	(469)
Local Sales & Use Tax	703,479	500,000	203,479
	<u>1,971,605</u>	<u>1,755,463</u>	<u>216,142</u>
Total Receipts			
	<u>1,971,605</u>	<u>1,755,463</u>	<u>216,142</u>
Expenditures:			
Appropriations to Board - Sales Tax	649,604	500,000	149,604
Appropriations to Board - Tax Distribution	1,241,396	1,391,000	(149,604)
	<u>1,891,000</u>	<u>1,891,000</u>	<u>0</u>
Total Expenditures			
	<u>1,891,000</u>	<u>1,891,000</u>	<u>0</u>
Receipts Over (Under) Expenditures	80,605		
Unencumbered Cash, Beginning	211,511		
	<u>292,116</u>		
Unencumbered Cash, Ending	\$ 292,116		

GOVE COUNTY, KANSAS
EMPLOYEE BENEFITS FUND

SCHEDULE 2
Page 6

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 1,022,431	1,029,505	(7,074)
Neighborhood Revitalization Rebate	0	(585)	585
Delinquent Tax	15,507	0	15,507
Motor Vehicle Tax	73,979	64,962	9,017
Recreational Vehicle Tax	1,613	1,181	432
16/20M Vehicle Tax	5,712	5,944	(232)
Commercial Vehicle Tax	8,856	8,245	611
Watercraft Tax	0	531	(531)
Miscellaneous	1,576	0	1,576
Reimbursements	13,761	0	13,761
	<u>1,143,435</u>	<u>1,109,783</u>	<u>33,652</u>
Total Receipts			
Expenditures:			
Contractual	72,196	90,000	(17,804)
Employer Contributions - FICA & KPERs	327,205	400,000	(72,795)
Health Insurance	623,423	650,000	(26,577)
Employer Contributions - H.S.A.	183,667	190,000	(6,333)
Cash Reserve	0	500,000	(500,000)
Miscellaneous	1,522	0	1,522
Transfer to Medical Reimbursement Reserve Fund	153,056	0	153,056
	<u>1,361,069</u>	<u>1,830,000</u>	<u>(468,931)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	(217,634)		
Unencumbered Cash, Beginning	788,437		
	<u>570,803</u>		
Unencumbered Cash, Ending			

GOVE COUNTY, KANSAS
MENTAL HEALTH FUND

SCHEDULE 2
Page 7

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 17,267	17,414	(147)
Neighborhood Revitalization Rebate	0	(10)	10
Delinquent Tax	286	0	286
Motor Vehicle Tax	1,359	18	1,341
Recreational Vehicle Tax	30	22	8
16/20M Vehicle Tax	102	110	(8)
Commercial Vehicle Tax	164	153	11
Watercraft Tax	0	10	(10)
	<u>19,208</u>	<u>17,717</u>	<u>1,491</u>
Total Receipts	<u>19,208</u>	<u>17,717</u>	<u>1,491</u>
Expenditures:			
Contractual	<u>19,208</u>	<u>17,736</u>	<u>1,472</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>		

GOVE COUNTY, KANSAS
DEVELOPMENTAL SERVICES FUND

SCHEDULE 2
Page 8

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 56,157	56,560	(403)
Neighborhood Revitalization Rebate	0	(32)	32
Delinquent Tax	636	0	636
Motor Vehicle Tax	3,008	2,692	316
Recreational Vehicle Tax	66	49	17
16/20M Vehicle Tax	216	246	(30)
Commercial Vehicle Tax	365	342	23
Watercraft Tax	0	22	(22)
	<u>60,448</u>	<u>59,879</u>	<u>569</u>
Total Receipts	<u>60,448</u>	<u>59,879</u>	<u>569</u>
Expenditures:			
Contractual	<u>60,448</u>	<u>60,000</u>	<u>448</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>0</u>		

GOVE COUNTY, KANSAS
SHERIFF FUND

SCHEDULE 2
Page 9

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Taxes			
Ad Valorem Property Tax	\$ 534,745	538,415	(3,670)
Neighborhood Revitalization Rebate	0	(306)	306
Delinquent Tax	5,701	0	5,701
Motor Vehicle Tax	27,315	23,955	3,360
Recreational Vehicle Tax	595	436	159
16/20M Vehicle Tax	2,124	2,192	(68)
Commercial Vehicle Tax	3,265	3,040	225
Watercraft Tax	0	196	(196)
Towing	10,856	13,000	(2,144)
Reimbursements - SPARK	946	0	946
Insurance Claim	8,363	0	8,363
Miscellaneous Fees	47,563	5,000	42,563
	<u>641,473</u>	<u>585,928</u>	<u>55,545</u>
Total Receipts			
Expenditures:			
Personal Services	278,909	294,880	(15,971)
Contractual	119,262	98,220	21,042
Commodities	98,586	68,900	29,686
Capital Outlay	78,596	62,500	16,096
Towing Expense	10,268	22,500	(12,232)
EOC	25,073	35,000	(9,927)
Transfer to Sheriff Special Equipment Fund	0	20,000	(20,000)
Adjustment for Qualifying Budget Credits			
Reimbursements & Insurance Claim	0	9,309	(9,309)
	<u>610,694</u>	<u>611,309</u>	<u>(615)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	30,779		
Unencumbered Cash, Beginning	27,021		
	<u>57,800</u>		
Unencumbered Cash, Ending			

GOVE COUNTY, KANSAS

SCHEDULE 2

SHERIFF SPECIAL EQUIPMENT FUND

Page 10

Schedule of Receipts and Expenditures-Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts:	\$ 0	0	0
Expenditures			
Capital Outlay	21,453	23,279	(1,826)
Receipts Over (Under) Expenditures	(21,453)		
Unencumbered Cash, Beginning	48,279		
Unencumbered Cash, Ending	\$ 26,826		

GOVE COUNTY, KANSAS
NOXIOUS WEED CAPITAL OUTLAY FUND

SCHEDULE 2
Page 11

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Transfer from Noxious Weed Fund	\$ <u>0</u>	<u>40,000</u>	<u>(40,000)</u>
Expenditures:			
Capital Outlay	<u>24,930</u>	<u>236,358</u>	<u>(211,428)</u>
Receipts Over (Under) Expenditures	(24,930)		
Unencumbered Cash, Beginning	<u>217,324</u>		
Unencumbered Cash, Ending	\$ <u>192,394</u>		

GOVE COUNTY, KANSAS
SPECIAL ALCOHOL FUND

SCHEDULE 2
Page 12

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts:			
Liquor Tax - State of Kansas	\$ <u>1,450</u>	<u>2,000</u>	<u>(550)</u>
Expenditures:			
Contractual	<u>5,900</u>	<u>14,013</u>	<u>(8,113)</u>
Receipts Over (Under) Expenditures	<u>(4,450)</u>		
Unencumbered Cash, Beginning	<u>19,234</u>		
Unencumbered Cash, Ending	\$ <u>14,784</u>		

GOVE COUNTY, KANSAS

SCHEDULE 2

911 EMERGENCY SERVICES FUND

Page 13

Schedule of Receipts and Expenditures-Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts	\$ 0	0	0
Expenditures:			
Contractual	0	55,219	(55,219)
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	55,219		
Unencumbered Cash, Ending	\$ 55,219		

GOVE COUNTY, KANSAS
911 WIRELESS FUND

SCHEDULE 2
Page 14

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Receipts	\$ <u>0</u>	<u>0</u>	<u>0</u>
Expenditures:			
Contractual	<u>0</u>	<u>7,718</u>	<u>(7,718)</u>
Receipts Over (Under) Expenditures	<u>0</u>		
Unencumbered Cash, Beginning	<u>7,718</u>		
Unencumbered Cash, Ending	\$ <u>7,718</u>		

GOVE COUNTY, KANSAS
RURAL FIRE DISTRICT FUND

SCHEDULE 2
Page 15

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Taxes			
Ad Valorem Property Tax	\$ 146,229	146,900	(671)
Delinquent Tax	1,154	0	1,154
Motor Vehicle Tax	5,753	5,470	283
Recreational Vehicle Tax	129	115	14
16/20M Vehicle Tax	760	97	663
Commercial Vehicle Tax	745	733	12
Watercraft Tax	0	50	(50)
	<u>154,770</u>	<u>153,365</u>	<u>1,405</u>
Total Receipts	<u>154,770</u>	<u>153,365</u>	<u>1,405</u>
Expenditures:			
Appropriations	152,000	152,000	0
Cash Reserve	0	25,000	(25,000)
	<u>152,000</u>	<u>177,000</u>	<u>(25,000)</u>
Total Expenditures	<u>152,000</u>	<u>177,000</u>	<u>(25,000)</u>
Receipts Over (Under) Expenditures	2,770		
Unencumbered Cash, Beginning	<u>23,221</u>		
Unencumbered Cash, Ending	<u>\$ 25,991</u>		

GOVE COUNTY, KANSAS

SCHEDULE 2

LANDFILL CLOSURE RESERVE FUND

Page 16

Schedule of Receipts and Expenditures-Actual and Budget

Regulatory Basis

For the Year Ended December 31, 2021

	Actual	Budget	Variance Over (Under)
Receipts:			
Transfer from General Fund	\$ 0	100,000	(100,000)
Transfer from Solid Waste Fund	100,000	0	100,000
Total Receipts	100,000	100,000	0
Expenditures:			
Closure and Post Closure Costs	0	100,000	(100,000)
Receipts Over (Under) Expenditures	100,000		
Unencumbered Cash, Beginning	0		
Unencumbered Cash, Ending	\$ 100,000		

GOVE COUNTY, KANSAS
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021

SCHEDULE 2
Page 17

	<u>Actual</u>
Special Highway Improvement Fund	
Receipts	
Transfer from Road and Bridge Fund	\$ <u>250,000</u>
Expenditures	
Capital Outlay	<u>330,350</u>
Receipts Over (Under) Expenditures	(80,350)
Unencumbered Cash, Beginning	<u>958,531</u>
Unencumbered Cash, Ending	\$ <u><u>878,181</u></u>
 Special Machinery Fund	
Receipts	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>803,338</u>
Unencumbered Cash, Ending	\$ <u><u>803,338</u></u>

GOVE COUNTY, KANSAS
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021

SCHEDULE 2
Page 18

	<u>Actual</u>
Register of Deeds Technology Fund	
Receipts:	
Fees	\$ 7,180
Interest	<u>5</u>
Total Receipts	<u>7,185</u>
Expenditures:	
Commodities	6,191
Capital Outlay	<u>9,000</u>
Total Expenditures	<u>15,191</u>
Receipts Over (Under) Expenditures	(8,006)
Unencumbered Cash, Beginning	<u>12,640</u>
Unencumbered Cash, Ending	<u>\$ 4,634</u>
 Bio Terrorism Local Fund	
Receipts:	
Miscellaneous	\$ 1,300
Federal Aid	<u>8,257</u>
Total Receipts	<u>9,557</u>
Expenditures:	
Contractual Services	1,180
Commodities	<u>256</u>
Total Expenditures	<u>1,436</u>
Receipts Over (Under) Expenditures	8,121
Unencumbered Cash, Beginning	<u>20,660</u>
Unencumbered Cash, Ending	<u>\$ 28,781</u>

GOVE COUNTY, KANSAS
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021

SCHEDULE 2
Page 19

	<u>Actual</u>
Bio Terrorism Regional Fund	
Receipts:	
Local Admin Fees	\$ 24,680
Federal Aid	<u>35,324</u>
Total Receipts	<u>60,004</u>
Expenditures:	
Personal Services	51,973
Contractual Services	12,099
Commodities	<u>2,485</u>
Total Expenditures	<u>66,557</u>
Receipts Over (Under) Expenditures	(6,553)
Unencumbered Cash, Beginning	<u>33,501</u>
Unencumbered Cash, Ending	<u><u>\$ 26,948</u></u>
 DEA Sheriff Fund	
Receipts	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>458</u>
Unencumbered Cash, Ending	<u><u>\$ 458</u></u>
 Diversions Fees Fund	
Receipts:	
Court Fees	\$ <u>1,713</u>
Expenditures	
Contractual	<u>405</u>
Receipts Over (Under) Expenditures	1,308
Unencumbered Cash, Beginning	<u>7,357</u>
Unencumbered Cash, Ending	<u><u>\$ 8,665</u></u>

GOVE COUNTY, KANSAS
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021

SCHEDULE 2
Page 20

	<u>Actual</u>
Treasurer's Special Auto Fund	
Receipts:	
Fees	\$ <u>34,173</u>
Expenditures:	
Personal Services	7,161
Contractual	1,318
Meeting Expense	8,008
Transfer to General Fund	<u>15,256</u>
Total Expenditures	<u>31,743</u>
Receipts Over (Under) Expenditures	2,430
Unencumbered Cash, Beginning	<u>15,256</u>
Unencumbered Cash, Ending	\$ <u><u>17,686</u></u>
 Prosecuting Attorney Training Fund	
Receipts:	
Fees	\$ <u>2,629</u>
Expenditures:	
Contractual Services	<u>1,394</u>
Receipts Over (Under) Expenditures	1,235
Unencumbered Cash, Beginning	<u>8,819</u>
Unencumbered Cash, Ending	\$ <u><u>10,054</u></u>

GOVE COUNTY, KANSAS
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021

SCHEDULE 2
Page 21

	<u>Actual</u>
Attorney's Trust Fund	
Receipts:	
Fees	\$ <u>60</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	60
Unencumbered Cash, Beginning	<u>21,107</u>
Unencumbered Cash, Ending	\$ <u><u>21,167</u></u>
 Sheriff's Special Law Enforcement Fund	
Receipts	\$ <u>0</u>
Expenditures:	
Commodities	<u>11,478</u>
Receipts Over (Under) Expenditures	(11,478)
Unencumbered Cash, Beginning	<u>64,866</u>
Unencumbered Cash, Ending	\$ <u><u>53,388</u></u>
 Concealed Carry Fund	
Receipts:	
Drug Seizure Funds	\$ <u>424</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	424
Unencumbered Cash, Beginning	<u>6,320</u>
Unencumbered Cash, Ending	\$ <u><u>6,744</u></u>

GOVE COUNTY, KANSAS
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021

SCHEDULE 2
Page 22

	<u>Actual</u>
K-9 Fund	
Receipts:	
Miscellaneous	\$ <u>20</u>
 Expenditures	 <u>0</u>
Receipts Over (Under) Expenditures	20
Unencumbered Cash, Beginning	<u>440</u>
Unencumbered Cash, Ending	\$ <u><u>460</u></u>
 Porta Count Machine Fund	
Receipts:	
Fees	\$ <u>0</u>
 Expenditures:	
Contractual	<u>145</u>
Receipts Over (Under) Expenditures	(145)
Unencumbered Cash, Beginning	<u>2,459</u>
Unencumbered Cash, Ending	\$ <u><u>2,314</u></u>
 Chronic Disease Risk Fund	
Receipts	\$ <u>0</u>
 Expenditures	 <u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>9,513</u>
Unencumbered Cash, Ending	\$ <u><u>9,513</u></u>

GOVE COUNTY, KANSAS
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021

SCHEDULE 2
Page 23

	<u>Actual</u>
County Health Car Seats Fund	
Receipts	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>9,025</u>
Unencumbered Cash, Ending	\$ <u><u>9,025</u></u>
 GCHD Building Fund	
Receipts:	
Interest on Idle Funds	<u>31</u>
Expenditures:	
Contractual Services	<u>3,081</u>
Receipts Over (Under) Expenditures	(3,050)
Unencumbered Cash, Beginning	<u>58,947</u>
Unencumbered Cash, Ending	\$ <u><u>55,897</u></u>
 Ebola Fund	
Receipts	\$ <u>0</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>354</u>
Unencumbered Cash, Ending	\$ <u><u>354</u></u>

GOVE COUNTY, KANSAS
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021

SCHEDULE 2
Page 24

	<u>Actual</u>
Sheriff VINS Fund	
Receipts:	
Fees	\$ <u>4,920</u>
Expenditures:	
Contractual Services	<u>600</u>
Receipts Over (Under) Expenditures	4,320
Unencumbered Cash, Beginning	<u>14,746</u>
Unencumbered Cash, Ending	\$ <u><u>19,066</u></u>
 Sheriff Seizure Fund	
Receipts:	
Seized Funds	\$ <u>3,900</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	3,900
Unencumbered Cash, Beginning	<u>0</u>
Unencumbered Cash, Ending	\$ <u><u>3,900</u></u>
 Clerk Technology Fund	
Receipts:	
Fees	\$ <u>1,795</u>
Expenditures:	
Commodities	<u>1,330</u>
Receipts Over (Under) Expenditures	465
Unencumbered Cash, Beginning	<u>1,410</u>
Unencumbered Cash, Ending	\$ <u><u>1,875</u></u>

GOVE COUNTY, KANSAS
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021

SCHEDULE 2
Page 25

	<u>Actual</u>
Treasurer Technology Fund	
Receipts:	
Fees	\$ <u>1,795</u>
Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	1,795
Unencumbered Cash, Beginning	<u>2,604</u>
Unencumbered Cash, Ending	\$ <u><u>4,399</u></u>
 Medical Reimbursement Reserve Fund	
Receipts:	
Transfer from Employee Benefits Fund	\$ 153,056
Interest on Idle Funds	<u>193</u>
Total Receipts	<u>153,249</u>
Expenditures:	
Claims	<u>61,938</u>
Receipts Over (Under) Expenditures	91,311
Unencumbered Cash, Beginning	<u>335,297</u>
Unencumbered Cash, Ending	\$ <u><u>426,608</u></u>
 Sheriff Offender Registration Fund	
Receipts:	
Fees	\$ <u>860</u>
Expenditures	
Capital Outlay	<u>180</u>
Receipts Over (Under) Expenditures	680
Unencumbered Cash, Beginning	<u>1,600</u>
Unencumbered Cash, Ending	\$ <u><u>2,280</u></u>

GOVE COUNTY, KANSAS
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021

SCHEDULE 2
Page 26

	<u>Actual</u>
COVID-19 ELC Expanding Fund	
Receipts:	
Federal Aid	\$ <u>20,061</u>
Expenditures	
Capital Outlay	<u>18,692</u>
Receipts Over (Under) Expenditures	1,369
Unencumbered Cash, Beginning	<u>0</u>
Unencumbered Cash, Ending	\$ <u><u>1,369</u></u>
 COVID-19 Fund	
Receipts:	
Federal Aid	\$ <u>8,434</u>
Expenditures	
Commodities	<u>1,333</u>
Receipts Over (Under) Expenditures	7,101
Unencumbered Cash, Beginning	<u>153</u>
Unencumbered Cash, Ending	\$ <u><u>7,254</u></u>

GOVE COUNTY, KANSAS
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended December 31, 2021

SCHEDULE 2
Page 27

	<u>Actual</u>
SPARK Fund	
Receipts:	\$ <u>0</u>
 Expenditures:	
Disbursements - County	<u>7,400</u>
Receipts Over (Under) Expenditures	(7,400)
Unencumbered Cash, Beginning	<u>7,400</u>
Unencumbered Cash, Ending	<u><u>\$ 0</u></u>
 American Recovery Fund	
Receipts:	
Federal Aid	\$ 256,006
Interest on Idle Funds	<u>39</u>
Total Receipts	<u>256,045</u>
 Expenditures	
Contractual Services	27,203
Capital Outlay	<u>87,718</u>
Total Expenditures	<u>114,921</u>
Receipts Over (Under) Expenditures	141,124
Unencumbered Cash, Beginning	<u>0</u>
Unencumbered Cash, Ending	<u><u>\$ 141,124</u></u>
 Stray Animals Fund	
Receipts:	
Seized Funds	\$ <u>174,793</u>
 Expenditures:	
Contractual Services	<u>174,793</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, Beginning	<u>0</u>
Unencumbered Cash, Ending	<u><u>\$ 0</u></u>

GOVE COUNTY, KANSAS
HOSPITAL REVENUE BONDS FUND
Regulatory Basis
For the Year Ended December 31, 2021

SCHEDULE 2
Page 28

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Reimbursements from GCMC	\$ 27,828	27,828	0
Expenditures:			
Principal Payment	27,828	27,828	0
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Unencumbered Cash, Ending	\$ 0		

GOVE COUNTY, KANSAS
SOLID WASTE FUND

SCHEDULE 2
Page 29

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended December 31, 2021

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Receipts:			
Charges for Solid Waste Pickup	\$ 180,817	170,000	10,817
Landfill Charges	50,433	18,000	32,433
Special Assessments	6,546	6,500	46
Delinquent Specials	570	0	570
	<u>238,366</u>	<u>194,500</u>	<u>43,866</u>
Total Receipts	<u>238,366</u>	<u>194,500</u>	<u>43,866</u>
Expenditures:			
Contractual	171,888	175,000	(3,112)
Miscellaneous	702	0	702
Transfer to General Fund	0	100,000	(100,000)
Transfer to Landfill Closure Reserve Fund	100,000	0	100,000
	<u>272,590</u>	<u>275,000</u>	<u>(2,410)</u>
Total Expenditures	<u>272,590</u>	<u>275,000</u>	<u>(2,410)</u>
Receipts Over (Under) Expenditures	(34,224)		
Unencumbered Cash, Beginning	397,553		
	<u>363,329</u>		
Unencumbered Cash, Ending	\$ 363,329		

GOVE COUNTY, KANSAS

SCHEDULE 3

Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended December 31, 2021

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Distributable Funds:				
Current Tax	\$ 6,746,198	10,700,294	10,158,087	7,288,405
NRP Holding	0	11,260	11,260	0
Delinquent Tax	111,074	68,097	127,590	51,581
Motor Vehicle Tax	97,505	529,518	531,015	96,008
Recreational Vehicle Tax	1,978	11,752	11,922	1,808
Commercial Vehicle Tax	3,068	121,813	119,223	5,658
Tax Escrow	33	32,498	32,498	33
Total Distributable Funds	6,959,856	11,475,232	10,991,595	7,443,493
State Funds:				
State Education Building	0	76,979	76,979	0
State Institutional Building	0	38,490	38,490	0
I & C Tax Collections	39,350	304,781	323,185	20,946
Driver's License	0	3,490	3,490	0
Total State Funds	39,350	423,740	442,144	20,946
Subdivision Funds:				
Cities	0	829,202	829,202	0
Townships	0	79,069	79,069	0
Fire Districts	0	42,370	42,370	0
School Districts	0	3,275,765	3,275,781	(16)
Extension District	0	164,467	164,467	0
Regional Library	0	66,231	66,231	0
Special Assessments	21,694	39,028	33,247	27,475
Total Subdivision Funds	21,694	4,496,132	4,490,367	27,459
County Officer Accounts:				
Clerk of District Court	3,531	354,442	353,470	4,503
Law Library	43,300	9,990	13,743	39,547
Heritage Trust	0	3,590	3,590	0
Treasurer - IAA Title Clearing	25	0	0	25
Oil and Gas Depletion	1,000,758	2,323	0	1,003,081
Total Officer Accounts	1,047,614	370,345	370,803	1,047,156
Total Agency Funds	\$ 8,068,514	16,765,449	16,294,909	8,539,054



Mapes & Miller LLP
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**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED UPON PROCEDURES**

Board of County Commissioners
Gove County, Kansas
Gove, Kansas

We have performed the procedures enumerated below on the Financial Ratio Test section of the Chief Financial Officer of Gove County's letter addressed to the Kansas Department of Health and Environment dated October 3, 2022. Gove County's management is responsible for the Financial Ratio Test section of the Chief Financial Officer of Gove County's letter dated October 3, 2022.

Gove County, Kansas, has agreed to and acknowledged that the procedures are appropriate to meet the intended purpose of assisting the Kansas Department of Health and Environment in understanding the Financial Ratio Test section of the Chief Financial Officer of Gove County's letter dated October 3, 2022. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to the user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. We compared amounts and recalculated the computations to determine that the amounts for total annual revenues, total annual expenditures, cash plus marketable securities, annual debt service, long-term debt issued in the current year, and non-routine capital expenditures, as stated in the Financial Ratio Test section of the Chief Financial Officer of Gove County's letter dated October 3, 2022, were derived from the audited annual financial statement of Gove County, Kansas, for the year ended December 31, 2021, and adjusted according to the definitions in K.A.R. 28-29-2110 (b). No exceptions were noted.
2. We recalculated the computation of the ratios stated for liquidity and debt service in the Financial Ratio Test section of the Chief Financial Officer of Gove County's letter dated October 3, 2022, and found them to equal or exceed the requirements of K.A.R. 28-29-2110(c)(2).

3. We recalculated the computation of the ratio of total operating revenues to total operating expenditures, and the ratio of the sum of closure and/or post-closure, or corrective action costs, to total operating revenues in the Financial Ratio Test section of the Chief Financial Officer of Gove County's letter dated October 31, 2022, and found them to equal or exceed the requirements in K.A.R. 28-29-2110(c)(5)(C) and K.A.R. 28-29-2110(f)(1)(A) or (B).
4. We noted compliance with K.A.R. 28-29-2110(c)(3) in the preparation of the annual financial statement of Gove County, Kansas, for the year ended December 31, 2021, 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".
5. We noted compliance with K.A.R. 28-29-2110(c)(5)(D) in that the report of the independent certified public accountant dated October 3, 2022, included a statement to the effect that the financial statement for the year ended December 31, 2021, presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of Gove County, Kansas, and the aggregate receipts and expenditures in accordance with the regulatory basis of accounting prescribed by the cash basis and budget laws of the state of Kansas.

We were engaged by Gove County, Kansas, to perform this agreed upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Financial Ratio Test section of the Chief Financial Officer of Gove County's letter to the Kansas Department of Health and Environment dated October 3, 2022. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Gove County, Kansas, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagements.

This report is intended solely for the use of Gove County, Kansas, and the Kansas Department of Health and Environment, and is not intended to be and should not be used by anyone other than those specified parties.

Mapes & Miller LLP

Certified Public Accountants
Quinter, Kansas

October 3, 2022

Gove County Clerk

P.O. Box 128 • 520 Washington • Gove, KS 67736

P 785-938-2300
F 785-938-2305

County Clerk Bonnie Cook
gococlerk@ruraltel.net

October 3, 2022

Kansas Department of Health and Environment
Attn: Bureau of Waste Management
1000 SW Jackson St, Suite 320
Topeka, KS 66612-1366

RE: Gove County Solid Waste Landfill
Permit No.: 115
Year: 2022

Dear Secretary:

I am the County Clerk (Chief Financial Officer) of Gove County, Kansas, a local government organized and existing under the laws of the State of Kansas. This letter is in support of this local government's use of the local government financial test to provide financial assurance for the closure, post-closure care, corrective action costs, or any combination of these, at the municipal solid waste landfill identified in the following paragraphs.

1. This local government is the owner or operator of the following municipal solid waste landfill for which financial assurance for closure, post-closure care, or any combination of these, is demonstrated according to the provisions in K.A.R. 28-29-2110:

Facility Name: Gove County Landfill

Permit Number: 115

Location: Park, Kansas

Closure	\$ 651,776
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Post-closure	<u>829,295</u>
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Total Closure/Post-closure costs	<u>\$ 1,481,071</u>
----------------------------------	---------------------

October 3, 2022

2. This local government also provides financial assurance for environmental obligations, or provides environmental guarantees, to another local government entity through a financial test procedure at the following site and jurisdiction:

None

This local government's financial test is based upon the financial conditions existing as of the close of the latest completed fiscal year ended on December 31, 2021.

The accounting books and records of this local government are maintained on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than GAAP for governments.

In support of this local government's use of financial test, I enclose the following documents:

- a) Audited Annual Financial Statement for December 31, 2021;
- b) Independent Accountant's Report on Applying Agreed-upon Procedures; and
- c) Calculation and accumulation details supporting financial test amounts derived from the audited financial statement.

I certify that this local government:

- a) Has no general obligation bonds outstanding which are rated lower than Moody's Baa or Standard & Poor's BBB;
- b) Is not currently in default on payments of interest or principal on any general obligation bonds;
- c) Has not operated at a deficit exceeding 5% in each of the two latest completed fiscal years;
- d) Has passed the financial ratio test or the bond rating test specified for the use of local governments according to the provisions in K.A.R. 28-29-2110; and
- e) Has not used the local government financial test to provide financial assurance for closure, post-closure, corrective action costs, or any combination of these, in excess of 43% of revenues as defined in K.A.R. 28-29-2110.



Bonnie Cook
County Clerk

KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT
BUREAU OF WASTE MANAGEMENT

**LOCAL GOVERNMENT
FINANCIAL RATIO TEST**

1. Total from the Chief Financial Officer's Letter \$ 1,481,071

Ratio Test Factors from the CAFR or Annual Financial Statement

2. Total Annual Revenues 9,137,086

3. Total Annual Expenditures 7,542,455

4. Cash plus Marketable Securities 6,591,962

5. Annual Debt Service 27,828

6. Long-term Debt (Issued in the Current Year) 0

7. Non-routine Capital Expenditures 1,646,083

Financial Ratio Test Calculations

8. Environmental Obligations/Total Annual Revenues 0.16
(Line 1 divided by Line 2 =< 0.43)

9. Total Annual Revenues/Total Annual Expenditures 1.21
(Line 2 divided by Line 3 => 0.95)

10. Cash and Marketable Securities/Total Annual Expenditures 0.87
(Line 4 divided by Line 3 => 0.05)

11. Annual Debt Service/Total Annual Expenditures 0.00
(Line 5 divided by Line 3 =< 0.20)

12. Long-term Debt/Non-routine Capital Expenditures 0.00
(Line 6 divided by Line 7 =< 2.00)