CLARK COUNTY, KANSAS

FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT
and
UNIFORM GUIDANCE REPORTS

YEAR ENDED DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Clark County, Kansas

Adverse and Unmodified Opinions

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Clark 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 the Clark County, Kansas, as of December 31, 2021, or changes in 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 balances of Clark County, Kansas, 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 A.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Kansas Municipal Audit 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 Clark County, Kansas 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 A of the financial statement, the financial statement is prepared by Clark County, Kansas 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 A 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 A; 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 Clark County, Kansas' 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 to 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, we:

- exercise professional judgement 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 Clark County, Kansas' 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 Clark County, Kansas' 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.

Other Matters

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 (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures, and summary of regulatory basis receipts and disbursements-agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for 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*. The schedule of expenditures of federal awards is presented for additional analysis as required by the Title 2 *U.S. Code of Federal Regulations (CFR)* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statement. 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 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 A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Clark County, Kansas as of and for the year ended December 31, 2020 (not presented herein), and have issued our report thereon dated October 13, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the website of the Kansas Department of Administration at the following link: https://admin.ks.gov/offices/accounts-reports/local-government/municipal-services/municipal-audits. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for the year ended December 31, 2021, (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 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 2020 basic financial statement or to the 2020 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 2020 comparative information is fairly stated in all material respects in relation to the 2020 basic financial statement as a whole for the year ended December 31, 2020, on the basis of accounting described in Note A.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2022, on our consideration of Clark County, Kansas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Clark County, Kansas' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Clark County, Kansas' internal control over financial reporting and compliance.

Kennedy McKee & Company LLP

September 21, 2022

CLARK COUNTY, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS

For the Year Ended December 31, 2021

Fund	Beginning unencumbered cash balance	Prior year canceled encumbrances	Receipts
General	$ 1,322,051	$ -	$ 3,285,844
Special purpose funds:			
Special alcohol	5,282	-	839
Wireless 911 emergency	5,080	-	-
911 land/wireless/VOIP	163,183	-	73,888
Special bridge	121,892	-	50,242
Employee benefits	501,445	-	1,147,745
Noxious weed capital outlay	36,882	-	-
Rural fire district #1	6,319	-	82,822
Rural fire district #2	3,649	-	40,902
Rural fire district #3	59	-	1,231
Non-budgeted special purpose funds:			
Special vehicle	27,246	-	17,605
Treasurer's equipment reserve	6,000	-	-
Diversion fee	19,330	-	2,150
P.A.T.F.	5,566	-	375
Special prosecutor's trust	258,873	-	64,997
Special law enforcement trust	1,088,841	-	360,722
Special concealed carry license	4,990	-	620
DOJ asset forfeiture	34,106	-	-
Equipment reserve	791,691	-	364,498
Capital improvement	1,030,100	-	517,919
Special parks and recreation	966	-	-
Registered offenders	1,920	-	700
Bioterrorism grant	2,165	-	9,094
Register of Deeds technology	15,248	-	4,844
District Court technology	4,179	-	955
Treasurer's technology	6,918	-	1,073
Clerk's technology	6,918	-	1,073
Special machinery	399,948	-	206,000
Ambulance capital outlay	10,871	-	-
Rural EOC grant	283	-	3,834
COVID-19	11,297	-	8,215
SPARKS	4,604	-	-
Windfarm project maintenance	-	-	59,000
ARPA	-	-	193,656
Fire fuel reduction	-	-	819,749
Total - excluding agency funds	$ 5,897,902	$ -	$ 7,320,592
Composition of cash balance:			
Checking accounts			
Money market accounts			
Cash and cash items on hand			
Certificates of deposit			
Total cash			
Agency funds			
Total - excluding agency funds			

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

STATEMENT 1

Expenditures	Ending unencumbered cash balance	Add encumbrances and accounts payable	Ending cash balance
$ 3,367,129	$ 1,240,766	$ 151,554	$ 1,392,320
-	6,121	-	6,121
1,655	3,425	-	3,425
19,047	218,024	-	218,024
39,429	132,705	60	132,765
1,226,163	423,027	-	423,027
-	36,882	-	36,882
84,300	4,841	-	4,841
42,500	2,051	840	2,891
1,200	90	-	90
31,615	13,236	-	13,236
-	6,000	-	6,000
7,682	13,798	-	13,798
188	5,753	-	5,753
71,030	252,840	2,000	254,840
436,922	1,012,641	15,134	1,027,775
-	5,610	-	5,610
-	34,106	-	34,106
289,267	866,922	4,966	871,888
962,281	585,738	-	585,738
-	966	-	966
-	2,620	-	2,620
9,036	2,223	-	2,223
1,609	18,483	-	18,483
1,000	4,134	1,000	5,134
-	7,991	-	7,991
1,229	6,762	-	6,762
21,500	584,448	-	584,448
-	10,871	-	10,871
4,117	-	-	-
3,215	16,297	-	16,297
4,604	-	-	-
-	59,000	-	59,000
7,746	185,910	-	185,910
807,923	11,826		11,826
$ 7,442,387	$ 5,776,107	$ 175,554	$ 5,951,661

	$ 5,647,553
	3,568,745
	66,984
	3,500,000
	12,783,282
	(6,831,621)
	$ 5,951,661

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the County's financial statement. The financial statement and notes are representations of the County's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

Clark County, Kansas is a municipal corporation governed by an elected three-member commission. This regulatory financial statement does not include the related municipal entities shown below. A related municipal entity is an entity established to benefit the County and/or its constituents.

Clark County Rural Fire District #1 and #2. The Districts, defined as separate taxing entities by applicable state statutes, provide fire protection services to certain unincorporated areas of the County. The costs of providing such services are provided from property taxes assessed by the County to property owners in the District.

Clark County Free Fair. The Free Fair governing body members are appointed by the County Commissioners. The Free Fair is fiscally dependent upon the County because it provides substantial financial support.

Clark County Extension Council. The Extension Council provides services in such areas as agriculture, home economics, and 4-H clubs, to all persons in the County. The Council has an elected four-member executive board. The County annually provides significant operating subsidies to the Council. Kansas State University provides the County Extension Council non-cash receipts and disbursements related to salaries for operations of the Council.

Pioneer-Krier Museum. The governing body of the Museum is elected from among its members. The Museum is fiscally dependent upon the County because it provides substantial financial support.

2. Basis of Presentation – Fund Accounting

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

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Basis of Presentation – Fund Accounting (Continued)

REGULATORY BASIS FUND TYPES

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

Special Purpose funds – 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.

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

3. 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.

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

4. Budgetary Information

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

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

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

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

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

If the municipality 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. The municipality did not hold a revenue neutral rate hearing for this year.

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 this year.

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 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 expenditure authority lapses at year end.

A legal operating budget is not required for agency funds and the following special purpose funds:

Special Vehicle	Register of Deeds Technology
Treasurer's Equipment Reserve	District Court Technology
Diversion Fee	Treasurer's Technology
P.A.T.F.	Clerk's Technology
Special Prosecutor's Trust	Special Machinery
Special Law Enforcement Trust	Ambulance Capital Outlay
Special Concealed Carry License	Rural EOC Grant
DOJ Asset Forfeiture	COVID-19
Equipment Reserve	SPARKS
Capital Improvement	Windfarm Project Maintenance
Special Park and Recreation	ARPA
Registered Offenders	Fire Fuel Reduction
Bioterrorism Grant	

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.

B. DEPOSITS AND INVESTMENTS

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 to have a main or branch bank in the County, 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.

B. DEPOSITS AND INVESTMENTS (CONTINUED)

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2021.

At December 31, 2021, the County's carrying amount of deposits was $12,716,298 and the bank balance was $13,461,286. Of the bank balance, $1,011,099 was covered by federal depository insurance and $12,450,187 was collateralized with securities held by the pledging financial institutions' agents in the County's name.

C. TRANSFERS

Operating transfers and transfers to related municipal entities were as follows:

From	To	Amount	Regulatory authority
Operating transfers:			
General	Equipment reserve	$ 364,497	KSA 19-119
General	Capital improvement	127,998	KSA 19-120
Special vehicle	General	27,246	KSA 8-145
General	Windfarm project maintenance	59,000	Resolution
		$ 578,741	
Transfers to related municipal entities:			
General	Free Fair	$ 14,000	KSA 2-129
General	Extension Council	88,512	KSA 2-610
General	Pioneer-Krier Museum	41,248	KSA 19-2801
Rural Fire District #1	Fire District #1	84,300	KSA 19-3601
Rural Fire District #2	Fire District #2	42,500	KSA 19-3601
		$ 270,560	

D. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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 County makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

D. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONTINUED)

Compensated absences. The County's policies permit employees to accumulate a maximum of twenty calendar days of vacation, which accumulates based on hours worked and years of service. Upon termination or resignation from service with the County, employees are entitled to payment for all accrued vacation earned prior to termination or resignation. All employees on permanent full-time status earn sick leave at the rate of approximately one calendar day per month with a maximum accumulation of sixty days. No allowance for unused sick leave is paid upon termination or resignation; however, upon retirement or death, sick leave will be paid up to a maximum of 160 hours.

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 was set at 1% and contributions were $5,793 for the year ended December 31, 2021.

*Section 125 plan. T*he County offers a Section 125 flexible benefit plan for all employees electing to participate. Participants use this for health insurance premiums, unreimbursed medical, and dependent care expenses. The plan is administered by an independent insurance company.

Section 457 deferred compensation plan. The County offers a Section 457 deferred compensation plan to all employees on a voluntary basis. The County does not contribute to the plan.

E. DEFINED BENEFIT PENSION PLAN

Plan description. The 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 benefit 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, Suite 100; 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. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by the County 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, KPERS 3, and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.87% for KPERS and 22.80% for KP&F for the fiscal year ended December 31, 2021. Contributions to the pension plan from the County were $105,657 for KPERS and $57,311 for KP&F for the year ended December 31, 2021.

E. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net pension liability. At December 31, 2021, the County's proportionate share of the collective net pension liability reported by KPERS was $734,145, and $428,962 for KP&F. 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 report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

F. LANDFILL CLOSURE AND POST-CLOSURE COSTS

State and federal laws and regulations require the County to place a final cover on landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County has a potential liability for a portion of this closure and post-closure care costs in each period based on the landfill capacities used as of each year end.

The estimated closure cost is $136,227 and the estimated post-closure cost is $660,898. These figures comprise the estimated closure and post-closure cost of $797,125 and are obtained from the 2021 Annual Cost Estimate Worksheets for Permit Renewals during July 1, 2021 to June 30, 2022. The permit for 2021 identifies that the remaining volume capacity of the site is 34.24% of the original capacity and that the remaining life of the landfill is estimated to be 30 years. Actual costs may be higher or lower due to inflation or deflation and changes in technology or applicable laws and regulations.

The County is meeting the financial assurance requirements through the Local Government Financial Test. This test involves four components; financial, public notice, record keeping and reporting, and calculation of costs to be assured.

G. CONTINGENCIES

The County receives Federal and State grants for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in a request for reimbursement for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of County management, such disallowances, if any, will be insignificant.

H. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in public entity risk pools to cover property, liability, and worker's compensation claims. There have been no significant reductions in coverage from the prior year. Settled claims from these risks have not exceeded coverage in any of the past three years.

I. PUBLIC ENTITY RISK POOLS

The County is a member of the Kansas Workers Risk Cooperative for Counties (KWORCC), a group funded pool for workers compensation coverage which was formed through the Kansas Municipal Group-Funded Pool Act, K.S.A. 12-2616, et seq. This is a public entity risk pool which operates as a common risk management and insurance program for member counties. The County pays an annual contribution to the Cooperative as determined by the Board of Trustees based upon experience modification factors, payroll audits and any other bases the Board considers appropriate. It is not possible to estimate the maximum contributions which could be required. KWORCC covers claims up to $1,000,000 each and aggregate excess reinsurance provides aggregate coverage up to $1,000,000 per incident. Except for required contributions, no member can be held responsible for any claims made against any other member.

The County is also a member of the Kansas County Association Multi-Line Pool (KCAMP), a group funded pool for property, liability, crime and surety coverage which was formed through the Kansas Municipal Group-Funded Pool Act, K.S.A. 12-2616, et seq. This is a public entity risk pool which operates as a common risk management and insurance program for member counties. The County pays an annual contribution to the Pool as determined by the Board of Trustees. It is not possible to estimate the maximum contributions which could be required. KCAMP covers property loss up to the scheduled amount of values on file, which is $14,449,294, $500,000 for liability and $1,000,000 for crime. Excess reinsurance provides aggregate coverage up to $3,000,000 for liability. Except for required contributions, no member can be held responsible for any claims made against any other member.

J. CORONAVIRUS (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 outbreak 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 result 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 responses 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 2022.

As a result of the COVID-19 outbreak, numerous Federal and State grants have been made available to the County to assist with the risks and help offset incurred costs of the County.

K. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 21, 2022 and does not believe any events have occurred which affect the financial statement as presented except for the ongoing concerns regarding the novel strain of coronavirus (COVID-19) as discussed in Note J above.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

CLARK COUNTY, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021

Fund	Certified budget	Adjustment for qualifying budget credits	Total budget for comparison	Expenditures chargeable to current year	Variance favorable (unfavorable)
General fund	$ 3,990,340	$ -	$ 3,990,340	$ 3,367,129	$ 623,211
Special purpose funds:					
Special alcohol	5,251	-	5,251	-	5,251
Wireless 911 emergency	7,874	-	7,874	1,655	6,219
911 land/wireless/VOIP	238,020	-	238,020	19,047	218,973
Special bridge	290,000	-	290,000	39,429	250,571
Employee benefits	1,408,750	-	1,408,750	1,226,163	182,587
Noxious weed capital outlay	36,882	-	36,882	-	36,882
Rural fire district #1	84,300	-	84,300	84,300	-
Rural fire district #2	42,500	-	42,500	42,500	-
Rural fire district #3	1,200	-	1,200	1,200	-
Total	$ 6,105,117	$ -	$ 6,105,117	$ 4,781,423	$ 1,323,694

See Independent Auditor's Report.

CLARK COUNTY, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes	$ 2,290,291	$ 2,292,607	$ 2,236,880	$ 55,727
Intergovernmental	242,873	325,615	177,597	148,018
Licenses, fees, and permits	35,335	34,155	25,000	9,155
Charges for services	178,409	219,095	163,600	55,495
Use of money and property	58,816	22,875	60,000	(37,125)
In lieu of tax	835,524	314,995	554,230	(239,235)
Damages reimbursed and other	360,803	69,947	10,000	59,947
Operating transfers in	-	27,246	10,000	17,246
Neighborhood revitalization rebate	(21,184)	(20,691)	(53,776)	33,085
Total receipts	3,980,867	3,285,844	$ 3,183,531	$ 102,313
Expenditures:				
General government:				
Courthouse general:				
Personal services	22,125	35,518	$ 46,930	$ 11,412
Commodities	20,654	8,272	15,200	6,928
Contractual services	135,774	204,197	219,000	14,803
Capital outlay	1,775	-	1,600	1,600
Reimbursed expenditures	(848)	(12,254)	-	12,254
	179,480	235,733	282,730	46,997
Custodian:				
Personal services	40,085	39,956	41,690	1,734
Commodities	13,485	10,127	16,940	6,813
Contractual services	537	473	540	67
Capital outlay	872	712	1,500	788
Reimbursed expenditures	(2,771)	-	-	-
	52,208	51,268	60,670	9,402
County Clerk:				
Personal services	105,970	106,887	109,320	2,433
Commodities	4,042	1,524	2,400	876
Contractual services	8,487	8,053	10,200	2,147
Reimbursed expenditures	(1,676)	(86)	-	86
	116,823	116,378	121,920	5,542

CLARK COUNTY, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
County Appraiser:				
Personal services	$ 68,119	$ 69,639	$ 78,410	$ 8,771
Commodities	6,847	2,263	3,500	1,237
Contractual services	58,391	59,666	70,600	10,934
Capital outlay	1,031	-	1,300	1,300
Reimbursed expenditures	(5,022)	(1,200)	-	1,200
	129,366	130,368	153,810	23,442
County Treasurer:				
Personal services	108,035	101,692	112,160	10,468
Commodities	1,847	2,442	4,200	1,758
Contractual services	6,109	6,342	8,400	2,058
Reimbursed expenditures	(331)	(10)	-	10
	115,660	110,466	124,760	14,294
Register of Deeds:				
Personal services	69,838	69,306	70,180	874
Commodities	5,701	3,117	5,500	2,383
Contractual services	10,908	8,920	12,975	4,055
Reimbursed expenditures	(3,114)	-	-	-
	83,333	81,343	88,655	7,312
District Court:				
Commodities	740	1,392	2,000	608
Contractual services	47,199	44,275	52,550	8,275
Capital outlay	29,346	3,426	4,000	574
Reimbursed expenditures	(5,282)	(33,151)	-	33,151
	72,003	15,942	58,550	42,608
County Commissioners:				
Personal services	58,659	65,284	60,975	(4,309)
Commodities	2,337	10	950	940
Contractual services	414	658	4,000	3,342
	61,410	65,952	65,925	(27)

CLARK COUNTY, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
County Attorney:				
Personal services	$ 52,859	$ 74,744	$ 54,980	$ (19,764)
Commodities	-	1,197	-	(1,197)
Contractual services	-	3,728	4,300	572
	52,859	79,669	59,280	(20,389)
County Counselor:				
Personal services	24,503	566	24,770	24,204
Commodities	-	2,192	-	(2,192)
Contractual services	12,400	5,939	13,750	7,811
	36,903	8,697	38,520	29,823
Election expense:				
Personal services	11,824	11,989	11,535	(454)
Commodities	12,719	4,006	18,150	14,144
Contractual services	14,549	11,152	23,800	12,648
Reimbursed expenditures	(769)	(2,550)	-	2,550
	38,323	24,597	53,485	28,888
Conservation District	26,000	26,000	26,000	-
Tort liability	-	-	40,000	40,000
Other general government:				
Miscellaneous	103,878	14,349	-	(14,349)
Total general government	1,068,246	960,762	1,174,305	213,543
Public safety:				
Sheriff:				
Personal services	410,493	403,497	415,483	11,986
Commodities	39,728	43,203	57,400	14,197
Contractual services	35,993	46,861	65,550	18,689
Reimbursed expenditures	(3,407)	(11,197)	-	11,197
	482,807	482,364	538,433	56,069

CLARK COUNTY, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Emergency preparedness:				
Commodities	$ 10,162	$ 7,571	$ 7,750	$ 179
Contractual services	2,883	2,955	4,900	1,945
Capital outlay	-	-	2,700	2,700
	13,045	10,526	15,350	4,824
Total public safety	495,852	492,890	553,783	60,893
Highways and streets:				
Road and bridge:				
Personal services	343,156	359,211	385,260	26,049
Commodities	264,632	335,476	362,200	26,724
Contractual services	98,926	76,140	155,000	78,860
Capital outlay	31,878	8,770	39,750	30,980
Reimbursed expenditures	(2,046)	(6,150)	-	6,150
	736,546	773,447	942,210	168,763
Noxious weed:				
Personal services	33,753	34,034	36,262	2,228
Commodities	12,367	25,310	51,750	26,440
Contractual services	7,983	8,036	13,100	5,064
Capital outlay	-	-	5,000	5,000
Reimbursed expenditures	(3,827)	(7,681)	-	7,681
	50,276	59,699	106,112	46,413
Total highways and streets	786,822	833,146	1,048,322	215,176
Health and welfare:				
Ambulance:				
Personal services	40,802	45,477	46,570	1,093
Commodities	78,026	61,018	49,650	(11,368)
Contractual services	53,706	62,899	76,000	13,101
Capital outlay	14,831	4,414	24,100	19,686
Reimbursed expenditures	(7,649)	(5,798)	-	5,798
	179,716	168,010	196,320	28,310

CLARK COUNTY, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
County health:				
Personal services	$ 49,847	$ 57,834	$ 57,750	$ (84)
Commodities	27,437	23,657	8,500	(15,157)
Contractual services	3,992	3,017	5,300	2,283
Capital outlay	140	51,293	2,000	(49,293)
Reimbursed expenditures	(1,498)	(6,563)	-	6,563
	79,918	129,238	73,550	(55,688)
Total health and welfare	259,634	297,248	269,870	(27,378)
Sanitation:				
Personal services	37,047	36,942	33,000	(3,942)
Commodities	8,615	10,774	18,000	7,226
Contractual services	34,159	40,112	43,800	3,688
Capital outlay	-	-	5,500	5,500
Total sanitation	79,821	87,828	100,300	12,472
Operating transfers:				
Windfarm project maintenance	-	59,000	-	(59,000)
Equipment reserve	357,612	364,497	350,000	(14,497)
Capital improvement	200,000	127,998	350,000	222,002
Total operating transfers	557,612	551,495	700,000	148,505
Transfers to related municipal entities:				
Free Fair	14,000	14,000	14,000	-
Extension Council	88,512	88,512	88,512	-
Pioneer-Krier Museum	41,589	41,248	41,248	-
Total transfers to related municipal entities	144,101	143,760	143,760	-

CLARK COUNTY, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Total expenditures	$ 3,392,088	$ 3,367,129	$ 3,990,340	$ 623,211
Receipts over (under) expenditures	588,779	(81,285)		
Unencumbered cash balance, beginning of year	733,272	1,322,051	$ 806,809	$ 515,242
Unencumbered cash balance, end of year	$ 1,322,051	$ 1,240,766		

See Independent Auditor's Report.

CLARK COUNTY, KANSAS

SPECIAL ALCOHOL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Private club liquor tax	$ 1,255	$ 839	$ 620	$ 219
Expenditures:				
Health and welfare:				
Contractual services	-	-	$ 5,251	$ 5,251
Receipts over (under) expenditures	1,255	839		
Unencumbered cash, beginning of year	4,027	5,282	$ 4,631	$ 651
Unencumbered cash, end of year	$ 5,282	$ 6,121		

See Independent Auditor's Report.

CLARK COUNTY, KANSAS

WIRELESS 911 EMERGENCY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Licenses, fees and permits	$ -	$ -	$ -	$ -
Expenditures:				
Public safety:				
Contractual services	2,794	1,655	$ 7,874	$ 6,219
Receipts over (under) expenditures	(2,794)	(1,655)		
Unencumbered cash, beginning of year	7,874	5,080	$ 7,874	$ (2,794)
Unencumbered cash, end of year	$ 5,080	$ 3,425		

See Independent Auditor's Report.

CLARK COUNTY, KANSAS

911 LAND/WIRELESS/VOIP FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Licenses, fees, and permits	$ 56,708	$ 63,090	$ 50,000	$ 13,090
Other	-	10,798	-	10,798
Total receipts	56,708	73,888	$ 50,000	$ 23,888
Expenditures:				
Public safety:				
Contractual services	81,545	19,047	$ 238,020	$ 218,973
Receipts over (under) expenditures	(24,837)	54,841		
Unencumbered cash, beginning of year	188,020	163,183	$ 188,020	$ (24,837)
Unencumbered cash, end of year	$ 163,183	$ 218,024		

See Independent Auditor's Report.

CLARK COUNTY, KANSAS

SPECIAL BRIDGE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes	$ 37,187	$ 39,630	$ 39,159	$ 471
Neighborhood revitalization rebate	(353)	(364)	(947)	583
Other	26,849	10,976	-	10,976
Total receipts	63,683	50,242	$ 38,212	$ 12,030
Expenditures:				
Highways and streets:				
Contractual services	258,137	39,429	$ 290,000	$ 250,571
Receipts over (under) expenditures	(194,454)	10,813		
Unencumbered cash, beginning of year	316,346	121,892	$ 251,788	$ (129,896)
Unencumbered cash, end of year	$ 121,892	$ 132,705		

See Independent Auditor's Report.

CLARK COUNTY, KANSAS

EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes	$ 1,385,451	$ 1,158,209	$ 1,148,623	$ 9,586
Neighborhood revitalization rebate	(13,225)	(10,464)	(27,208)	16,744
Total receipts	1,372,226	1,147,745	$ 1,121,415	$ 26,330
Expenditures:				
General government:				
Personal services	1,199,113	1,226,163	$ 1,408,750	$ 182,587
Receipts over (under) expenditures	173,113	(78,418)		
Unencumbered cash, beginning of year	328,332	501,445	$ 287,335	$ 214,110
Unencumbered cash, end of year	$ 501,445	$ 423,027		

See Independent Auditor's Report.

CLARK COUNTY, KANSAS

NOXIOUS WEED CAPITAL OUTLAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Transfer from general	$ -	$ -	$ -	$ -
Expenditures:				
Highways and streets:				
Capital outlay	-	-	$ 36,882	$ 36,882
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	36,882	36,882	$ 36,882	$ -
Unencumbered cash, end of year	$ 36,882	$ 36,882		

See Independent Auditor's Report.

CLARK COUNTY, KANSAS

RURAL FIRE DISTRICT #1 FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes	$ 87,634	$ 83,146	$ 81,262	$ 1,884
Neighborhood revitalization rebate	(2,098)	(324)	-	(324)
Total receipts	85,536	82,822	$ 81,262	$ 1,560
Expenditures:				
Transfer to related municipal entities	82,599	84,300	$ 84,300	$ -
Receipts over (under) expenditures	2,937	(1,478)		
Unencumbered cash, beginning of year	3,382	6,319	$ 3,038	$ 3,281
Unencumbered cash, end of year	$ 6,319	$ 4,841		

See Independent Auditor's Report.

CLARK COUNTY, KANSAS

RURAL FIRE DISTRICT #2 FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes	$ 45,005	$ 41,815	$ 40,846	$ 969
Neighborhood revitalization rebate	(477)	(913)	-	(913)
Total receipts	44,528	40,902	$ 40,846	$ 56
Expenditures:				
Transfer to related municipal entity	42,500	42,500	$ 42,500	$ -
Receipts over (under) expenditures	2,028	(1,598)		
Unencumbered cash, beginning of year	1,621	3,649	$ 1,654	$ 1,995
Unencumbered cash, end of year	$ 3,649	$ 2,051		

See Independent Auditor's Report.

CLARK COUNTY, KANSAS

RURAL FIRE DISTRICT #3 FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET REGULATORY BASIS

For the Year Ended December 31, 2021
(With Comparative Actual Totals for the Prior Year Ended December 31, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes	$ 1,257	$ 1,239	$ 1,200	$ 39
Neighborhood revitalization rebate	-	(8)	-	(8)
Total receipts	1,257	1,231	$ 1,200	$ 31
Expenditures:				
Public safety:				
Appropriations	1,200	1,200	$ 1,200	$ -
Receipts over (under) expenditures	57	31		
Unencumbered cash, beginning of year	2	59	$ -	$ 59
Unencumbered cash, end of year	$ 59	$ 90		

See Independent Auditor's Report.

CLARK COUNTY, KANSAS

NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2021

	Special vehicle	Treasurer's equipment reserve	Diversion fee	P.A.T.F.	Special prosecutor's trust	Special law enforcement trust
Receipts:						
State and federal aid	$ -	$ -	$ -	$ -	$ -	$ -
Licenses, fees and permits	17,605	-	2,150	375	-	-
Fines and forfeitures	-	-	-	-	64,997	360,722
Other	-	-	-	-	-	-
Operating transfers	-	-	-	-	-	-
Total receipts	17,605	-	2,150	375	64,997	360,722
Expenditures:						
General government	4,369	-	7,682	188	-	-
Public safety	-	-	-	-	71,030	436,922
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Aid and assistance	-	-	-	-	-	-
Operating transfers	27,246	-	-	-	-	-
Total expenditures	31,615	-	7,682	188	71,030	436,922
Receipts over (under) expenditures	(14,010)	-	(5,532)	187	(6,033)	(76,200)
Unencumbered cash, beginning of year	27,246	6,000	19,330	5,566	258,873	1,088,841
Unencumbered cash, end of year	$ 13,236	$ 6,000	$ 13,798	$ 5,753	$ 252,840	$ 1,012,641

Special concealed carry license	DOJ asset forfeiture	Equipment reserve	Capital improvement	Special parks and recreation	Registered offenders	Bioterrorism grant
$ -	$ -	$ -	$ 383,179	$ -	$ -	$ 9,094
620	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	6,742	-	700	-
-	-	364,498	127,998	-	-	-
620	-	364,498	517,919	-	700	9,094
-	-	289,267	962,281	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	9,036
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	289,267	962,281	-	-	9,036
620	-	75,231	(444,362)	-	700	58
4,990	34,106	791,691	1,030,100	966	1,920	2,165
$ 5,610	$ 34,106	$ 866,922	$ 585,738	$ 966	$ 2,620	$ 2,223

CLARK COUNTY, KANSAS

NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2021

	Register of Deeds technology	District Court technology	Treasurer's technology	Clerk's technology	Special machinery	Ambulance capital outlay
Receipts:						
State and federal aid	$ -	$ -	$ -	$ -	$ -	$ -
Licenses, fees and permits	4,844	955	1,073	1,073	-	-
Fines and forfeitures	-	-	-	-	-	-
Other	-	-	-	-	206,000	-
Operating transfers	-	-	-	-	-	-
Total receipts	4,844	955	1,073	1,073	206,000	-
Expenditures:						
General government	1,609	1,000	-	1,229	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	21,500	-
Health and welfare	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Aid and assistance	-	-	-	-	-	-
Operating transfers	-	-	-	-	-	-
Total expenditures	1,609	1,000	-	1,229	21,500	-
Receipts over (under) expenditures	3,235	(45)	1,073	(156)	184,500	-
Unencumbered cash, beginning of year	15,248	4,179	6,918	6,918	399,948	10,871
Unencumbered cash, end of year	$ 18,483	$ 4,134	$ 7,991	$ 6,762	$ 584,448	$ 10,871

See Independent Auditor's Report.

Rural EOC grant	COVID-19	SPARKS	Windfarm project maintenance	ARPA	Fire fuel reduction	Total
$ 3,834	$ 8,215	$ -	$ -	$ 193,656	$ 796,505	$ 1,394,483
-	-	-	-	-	-	28,695
-	-	-	-	-	-	425,719
-	-	-	-	-	23,244	236,686
-	-	-	59,000	-	-	551,496
3,834	8,215	-	59,000	193,656	819,749	2,637,079
-	3,215	-	-	7,746		1,278,586
-	-	-	-	-	-	507,952
-	-	-	-	-	-	21,500
4,117	-	-	-	-	-	13,153
-	-	4,604	-	-	-	4,604
-	-	-	-	-	807,923	807,923
-	-	-	-	-	-	27,246
4,117	3,215	4,604	-	7,746	807,923	2,660,964
(283)	5,000	(4,604)	59,000	185,910	11,826	(23,885)
283	11,297	4,604	-	-	-	3,732,060
$ -	$ 16,297	$ -	$ 59,000	$ 185,910	$ 11,826	$ 3,708,175

APPENDICES

CLARK COUNTY, KANSAS

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
County Clerk	$ -	$ 662	$ 662	$ -
Register of Deeds	-	41,609	41,609	-
District Court	5,710	105,822	106,016	5,516
Law Library	5,103	1,948	-	7,051
Sheriff	-	441,092	441,092	-
Tax collections	5,818,050	11,389,676	10,737,325	6,470,401
Tax accounts	96	6,285,363	6,281,908	3,551
Motor vehicle fees and sales tax collections	(700)	300,978	298,740	1,538
Drivers license fees	2,487	4,054	3,825	2,716
Clark County 2007 NRP	-	108,260	108,260	-
Seized drug funds	563,098	214,052	436,302	340,848
Total	$ 6,393,844	$ 18,893,516	$ 18,455,739	$ 6,831,621

See Independent Auditor's Report.

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

Board of County Commissioners
Clark County, Kansas

We have audited, in accordance with the 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, the financial statement of Clark County, Kansas as of and for the year ended December 31, 2021, and the related notes to the financial statement, and have issued our report thereon dated September 21, 2022. Our report on the financial statement disclosed that, as described in Note A to the financial statement, the County has prepared this financial statement 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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered Clark County, Kansas' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 statement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Clark County, Kansas' financial statement is free from 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 financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Clark County, Kansas' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kennedy McKee & Company LLP

September 21, 2022

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of County Commissioners
Clark County, Kansas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Clark County, Kansas' compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2021. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion Clark County, Kanas complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Clark County, Kansas and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Clark County, Kansas' compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Clark County, Kansas' federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Clark County, Kansas' compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Clark County, Kansas' compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Clark County, Kansas' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Clark County, Kansas' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Clark County, Kansas' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002. Our opinion on each major federal program is not modified with respect to these matters.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

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

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-001 and 2021-002 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on Clark County, Kansas' response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Clark County, Kansas' response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Kennedy McKee & Company LLP

September 21, 2022

CLARK COUNTY, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2021

Federal grantor/ pass-through grantor/ program title	Federal CFDA number	Pass-through grantor's number	Expenditures	Passthrough to Subrecipients
U.S. Department of Transportation				
Passed through Kansas Department of Transportation:				
High Risk Rural Roads	20.205	13C-4974-01	$ 174	$ -
U.S. Department of Health and Environment				
Passed through Kansas Department of Health & Environment:				
Public Health Emergency Preparedness FY21	93.069	NU90TP922049-02	9,094	-
Public Health Emergency Preparedness FY20	93.069	NU90TP922049-01	3,215	-
COVID-19 - ELC: Enhancing Detection Expansion	93.323	NU50CK000549-02	64,993	-
COVID-19 - ELC: Enhancing Detection	93.323	NU50CK000549-01	6,192	-
Total U.S. Department of Health and Environment			83,494	-
U.S. Department of Homeland Security				
Passed through Kansas Division of Emergency Management:				
Hazard Mitigation Grant Program	97.039	FEMA-5170-FM-KS	796,505	-
Total federal awards			$ 880,173	$ -

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

CLARK COUNTY, KANSAS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2021

A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Clark County, Kansas under programs of the federal government for the year ended December 31, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County. The Schedule is presented using a regulatory basis of accounting prescribed by the *Kansas Municipal Audit and Accounting Guide* (as described in Note A to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

B. BASIS OF ACCOUNTING

Expenditures reported on the Schedule are prepared using the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances.

C. INDIRECT COST RATE

The County has not elected to use the 10% de minimis cost rate as allowed under the Uniform Guidance.

CLARK COUNTY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2021

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an adverse opinion on whether the financial statement of Clark County, Kansas was prepared in accordance with GAAP.

2. No significant deficiencies or material weaknesses relating to the audit of the financial statement are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*.

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

4. Two significant deficiencies in internal control over the major federal award program are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance. No material weaknesses are reported.

5. The auditor's report on compliance for the major federal award programs for Clark County, Kansas expresses an unmodified opinion on all major federal programs.

6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.

7. The programs tested as a major program included:

   Hazard Mitigation Grant Program CFDA 97.039

8. The threshold for distinguishing Type A and B programs was $750,000.

9. Clark County, Kansas did not qualify as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None noted.

C . FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

U.S. DEPARTMENT OF TREASURY
SIGNIFICANT DEFICIENCY

2021-001: Hazard Mitigation Grant Program CFDA 97.039
Grant period: Year Ended December 31, 2021

Condition and Context: The County does not have a complete set of written cash management policies and procedures required by the Uniform Guidance. The lack of written procedures did not result in any material noncompliance, fraud or abuse with respect to the major program.

Criteria: The Uniform Guidance requires Non-Federal entities other than States, including those operating Federal programs as subrecipients of States, must follow the cash management standards set out at 2 CFR section 200.305. They must have a complete set of written cash management policies, which conform to applicable Federal statutes and the cash management requirements identified in 2 CFR part 200.

Cause: The County was unaware of the written cash management policy requirements required by the Uniform Guidance.

Effect: An important component of internal controls is the existence of operating policies and procedures and that they are clearly understood and communicated. Without clear written policies and procedures, there is a higher risk of noncompliance with program requirements.

Recommendation: Management should determine the scope of written policies needed for compliance with all federal programs and develop policies and procedures to comply with the Uniform Guidance.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and recommendation. The County's existing policies are currently under review by management and staff to determine what updates/changes are necessary in order to meet the Uniform Guidance requirements. Once any updates/changes are drafted, the policy will be presented to the Governing Body for review and approval.

2021-002: Hazard Mitigation Grant Program CFDA 97.039
Grant period: Year Ended December 31, 2021

Condition and Context: The County does not have a written procurement policy required by the Uniform Guidance. The lack of written procedures did not result in any material noncompliance, fraud or abuse with respect to the major program.

Criteria: In accordance with 2 CFR Section 200.319(c), non-federal entities must have written procedures for procurement transactions. Such policy should incorporate all requirements within 2 CFR 200.318 through 200.326 of the Uniform Guidance.

Cause: The County was unaware of the requirements required by the Uniform Guidance. The County's procurement policy does not incorporate all requirements of 2 CFR Section 200.318 through 200.326 of the Uniform Guidance.

C . FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS (CONTINUED)

Effect: An important component of internal controls is the existence of operating policies and procedures and that they are clearly understood and communicated. Without clear written policies and procedures, there is a higher risk of noncompliance with program requirements.

Recommendation: Management should determine the scope of written policies needed for compliance with all federal programs and develop policies and procedures to comply with the Uniform Guidance.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and recommendation. The County's existing policies are currently under review by management and staff to determine what updates/changes are necessary in order to meet the Uniform Guidance requirements. Once any updates/changes are drafted, the policy will be presented to the Governing Body for review and approval.